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NORTH KOREAN N-FREE ZONE PROPOSAL ENDORSED

AU251232 Prague RUDE PRAVO in Czech 24 Jul 86 p 1

["Declaration of the CSSR Ministry of Foreign Affairs: A Step Toward Detente"]

[Text] Prague (CTK) -- The DPRK Government has issued a declaration containing a proposal on transforming the Korean peninsula into a nuclear-free peace zone, in which it unilaterally renounces tests on and production, storage, and import of nuclear arms and expresses its readiness to open negotiations on these issues with the U.S. Government and with the South Korean agencies.

The current initiative represents a new and constructive step by the DPRK, which is aimed at easing tension on the Korean peninsula. It develops the DPRK's proposals on the conclusion of a peace treaty to replace the present truce agreement; the adoption of a declaration on mutual nonagression between the North and South of Korea; the development of a peace dialogue between them; a halt to the extensive military exercises; and the withdrawal of all alien troops from the southern part of the peninsula.

The CSSR attaches great importance to the establishment of nuclear-free zones in various parts of the world. It proceeds from the conviction that such zones would considerably help to strengthen the regime on nonproliferation of nuclear arms and would contribute to resolving the problem of nuclear disarmament. It regards the DPRK Government declaration as a valuable contribution to the peace policy of the countries of the socialist community, their persistent efforts in searching for ways to cut down armament and to disarm, particularly as regards nuclear weapons; and the establishment of an atmosphere of trust which is essential for building a system of collective security in Asia and the Pacific.

The CSSR Ministry of Foreign Affairs expresses full and resolute support for the DPRK proposal, which is aimed at achieving detente and strengthening security in the Far East and in the world.

CSSR, POLISH TRADE UNION DELEGATIONS MEET 27 JUL

LD271617 Prague Domestic Service in Czech and Slovak 1400 GMT 27 Jul 86

[Text] Delegations of the OPZZ and the Central Council of Trade Unions held talks in Prague today about the main tasks of the two trade union organizations in the present period of preparations for their congresses and about possibilities of further development of mutual cooperation. The Polish delegation was led by Alfred Miodowicz, member of the PZPR Central Committee Politburo. Karel Hoffmann, member of the CPCZ Central Committee Presidium and chairman of the Central Council of Trade Unions, led the delegation of the Central Council of Trade Unions. The two delegations also discussed current questions of the international trade union movement, in particular the preparations for the 11th World Trade Union Congress.

DISCUSSIONS WITH PRC TU'S HELD 8-19 JULY

AU271629 Prague PRACE in Czech 22 Jul 86 p 2

["R"-signed report: "On the Discussions With PRC Trade Unions]

[Text] Prague -- A delegation of the Central Council of Trade Unions [URO], headed by URO Presidium member Ladislav Abraham, stayed in the PRC on 8-19 July at the invitation of the All-China Federation of Trade Unions [ACFTU].

The URO delegation was received by Ni Zhifu, CPC Central Committee Politburo member and ACFTU chairman. In a cordial and comradely talk, views were exchanged on the activities of the two trade union organizations and possibilities were assessed pertaining to the further development of bilateral and multilateral cooperation.

The URO delegation and ACFTU representatives conducted talks within whose framework the two sides briefed one another in detail about topical tasks and about the activity and constructive work of trade unions in the CSSR and the PRC. On that occasion, the Chinese representatives emphasized the importance and role of trade unions in the current stage of development of socialist society in the PRC, especially in the spheres of the economy and education.

The URO delegation informed the Chinese side about the main tasks of Czechoslovak trade unions after the 17th CPCZ Congress and, in particular, about the preparations for the 11th All-Trade Union Congress.

Within the framework of the talks, the two delegations stressed the necessity of maintaining world peace and emphasized the significance of the trade unions' share in averting a nuclear catastrophe and in easing international tension.

The URO delegation paid a visit to the cities of Beijing, Tianjin, Shenyang, Harbin, Shanghai, and Hangzhou, where it had talks with representatives of provincial and city trade union councils, and with functionaries of enterprises, trade union schools, sanatoriums, and cultural and sports trade union facilities. During these visits, the URO delegation was informed about the methods and forms of work of Chinese trade unions, particularly about the participation of the working people in management and in workers social security, and passed on experience acquired from the work of Czechoslovak trade unions in various fields of activity.

In their final talks, the two delegations highly valued the contribution of the URO delegation's visit to the PRC to the further development of concrete cooperation, whose content was preliminarily agreed upon.

The URO delegation invited a delegation of the ACFTU to pay an official visit to the CSSR. The invitation was accepted with thanks.

CSSR'S CHNOUPEK INTERVIEWED ON YEAR OF PEACE

AU261546 East Berlin BERLINER ZEITUNG in German 24 Jul 86 p 4

[Interview given by CSSR Foreign Minister Bohuslav Chnoupek to Maritta Tkalec: "Current Situation Demands New Thinking"; date and place not given -- first paragraph is newspaper's introduction]

[Text] Within the framework of our inquiry among personalities from various countries during the UN Year of Peace, CSSR Foreign Minister Bohuslav Chnoupek gave us the following interview:

BZ: The United Nations has declared 1986 the Year of Peace. But the international climate has further deteriorated since that time. In view of this situation, where do you see the significance of the UN proclamation?

Bohuslav Chnoupek: All of us know that the international situation gives no reason for a carefree attitude. The arms race is being fanned further. Dangerous hotbeds of tension and conflict persist in various regions of the world. Therefore it is precisely the proclamation of this year as the International Year of Peace which provides a good opportunity for undertaking resolute steps to improve the international situation.

Significant Steps of the Socialist Countries

Whether the noble aims of the UN Year of Peace are achieved depends first and foremost on the individual states, on their political will. The socialist countries are making enormous efforts in this respect. Every objective observer must recognize that this year alone they have undertaken a number of significant steps to stabilize international relations, to halt the arms race, and toward disarmament. I am referring to the outcome of the most recent session of the Political Consultative Committee of the Warsaw Pact in Budapest. Unfortunately we notice an opposite approach on the part of the imperialist states led by the United States.

Washington's continuing the extremely dangerous policy of nuclear arms tests and is doing so despite the several times extended unilateral moratorium of the USSR. The trends to torpedo already achieved disarmament agreements are becoming increasingly obvious in the United States. The stationing of intermediate-range missiles is being continued, the preparations for the so-called Strategic Defense Initiative are being intensified. More numerous imperialist attempts are being made to interfere from a position of strength in the internal affairs primarily of the progressive members of the Nonaligned Movement.

Despite all this we are not pessimistic as far as the success of the International Year of Peace is concerned. The fact alone that it is becoming clearly obvious who is really concerned about the cause of peace and who only disguises his aggressive intentions with rhetorical peace statements exerts a great mobilizing effect. I am convinced that the course of the International Year of Peace will contribute to the further strengthening of the peace forces in the world and to strengthening the UN role in safeguarding world peace.

BZ: In your opinion, where are the crucial points now in the struggle for the preservation of world peace?

Bohuslav Chnoupek: For the first time in the history of mankind we are facing mountains of stockpiled nuclear weapons which can extinguish life on our planet several times over. This is why we heartily join those people who stress the great responsibility of governments and of political and other representatives of all countries, big or small, really of everybody for the preservation of peace.

We see the main battlefield for the preservation of peace in an active approach to the quest for ways of halting the arms race and achieving disarmament. This is why we fully and entirely support the exemplary activity of Mikhail Gorbachev for the preservation of peace as well as the systematic and far-reaching program, submitted by him, of proposals for peace and disarmament that are aimed at creating foundations for a comprehensive system of international security. We highly appreciate the USSR proposal for the elimination of nuclear and chemical weapons submitted on 15 January 1986 and the appeal of the Soviet leadership to the American side to discontinue nuclear explosions, to reduce nuclear arms arsenals, and subsequently to destroy them competely. [paragraph continues]

We support the proposal for concluding an agreement on a decisive limitation of all components of the land forces as well as of the tactical air forces as well as for a concurrent reduction in nuclear arms of an operational-tactical designation.

A Comprehensive Approach to Problems of Disarmament

We will also actively endorse the joint appeal of the Warsaw Pact member-states to the NATO member-states and to all European states for a reduction of armed forces and conventional arms in Europe which was adopted at the most recent session of the Political Consultative Committee of the Warsaw Pact in Budapest.

The significance of this new, far-reaching initiative, which constitutes further evidence of the generosity of the new way of thinking in the foreign policy of the Warsaw Pact states, is based on the comprehensive approach to the most urgent problems of our continent, to the problems of disarmament. Realistically thinking quarters in the West are fully aware of this fact and appreciate the constructive nature, flexibility, and openness of the Budapest appeal vis-a-vis many demands of the West, including problems of verification of the disarmament process.

BZ: Like the GDR, the CSSR has announced that it is ready to make its territory available for a zone free from chemical weapons in central Europe. The establishment of various zones free from nuclear weapons is also being discussed on our continent. What is the significance of these initiatives for averting a war?

Bohhuslav Chnoupek: The setting of a zones free from chemical and nuclear weapons in Europe is today more topical than ever in view of the high concentration of armed forces and armaments as well as of the great risk of an accidental outbreak of a war waged with nuclear or chemical weapons. The direct proximity of nuclear weapons and chemical means of warfare on our state's western border and the most recent U.S. plans for the production and stationing of binary chemical weapons in Europe have prompted us, together with the GDR, to submit the proposal for establishing a zone free from chemical weapons in central Europe.

Ban Chemical and Nuclear Weapons

At the same time we support proposals for creating a zone free from nuclear weapons in northern Europe and the Balkans as well as the proposal for the liquidation of chemical weapons on the territory of the Balkan states. All these initiatives have one common denominator. They are an expression of the efforts of peoples, parliaments, and of numerous governments to prevent the use of nuclear and chemical weapons and to consolidate European security.

BZ: What actions does the CSSR plan within the framework of the UN Year of Peace?

Bohuslav Chnoupek: The Czechoslovak activities in the International Year of Peace are being coordinated by the Czechoslovak Commission for the UN Year and for the International Year of Peace, which was formed by the CSSR Government. Some important actions have already been carried out in the CSSR. Thus the session of the foreign committees of the People's Chamber and of the Chamber of Nationalities of the CSSR Federal Assembly in February was devoted to the International Year of Peace. The share of our supreme legislative body in the worldwide efforts to implement the objectives of the International Year of Peace was discussed at this session. We regard as the most important international action the World Congress of Peace Forces in Copenhagen in which representatives of a Czechoslovak delegation will also participate. At the end of August and early September we will host a regional conference of the European peace and antiwar movements in preparation for this congress.

JANUARY-JUNE ECONOMIC STATISTIC REPORTED

LD251952 Prague CTK in English 1814 GMT 25 Jul 86

[Text] Prague July 25 (CTK) -- Tasks of the state plan in the volume of production and rate of development are being fulfilled. Gross national income rose by 3.2 per cent but fell short of the planned annual growth in the first half of 1986.

The figures were released today by the Federal Statistical Office in a report on the development of the national economy and fulfilment of the Czechoslovak state plan in the first six months of this year.

Figures for the first half of 1985 were exceeded by 3.2 per cent in the volume of industrial production and 3.4 per cent in building work. Production growth in industry and construction was higher than the annual plan. Labour productivity went up by 2.6 per cent in industry and 2.9 per cent in construction. Production in engineering rose by 5.8 per cent (plan provided for 4.8 per cent), in the electrical engineering industry by 9.7 per cent and metallurgical industry 3.7 per cent. Coal and Lignite production dropped by 2.6 per cent.

Tasks of the agricultural and food complex were fulfilled on the whole. The state of winter and spring-sown grain gives conditions for a good harvest.

Transport demands of the national economy were satisfied, with the share of less energy-intensive forms of transport expanding. River transport was the fastest rising type of transport -- by 9.7 per cent in comparison with last year.

The fulfilment of tasks was facilitated by the results and application of scientific-technological development. The volume of production of novelties rose by 3.7 per cent in comparison with the first half of 1985. The share of products of a high technical-economic standard in the overall value of industrial products reached 15 per cent. Electronization of the national economy and automation of production continued. 405 industrial robots have been produced.

Overall Czechoslovak foreign trade turnover rose by 2.2 per cent in the first half of 1986 in comparison with last year. In relation with the socialist countries the rate of development of the turnover was higher than planned. In relation with the non-socialist states it fell short of the planned target. Trade turnover rose by 2.1 per cent with the socialist countries, with the Soviet Union it was 2.3 per cent. The share of the socialist countries in the overall turnover of Czechoslovak foreign trade was 80.2 per cent.

Monetary incomes of the population increased by 3.1 per cent, and the retail trade turnover by 2.9 percent, 26,000 flats were completed.

In line with the concept of the creation and protection of the living environment 111 projects have been started to protect fresh water resources, 77 to protect the air and 38 to liquidate solid waste, all at the budget of more than 12,000 million crowns.

During the half of the year 113,000 children were born and 96,000 persons died. The population stood at 15,537,000 on June 6.

Despite the results achieved in the development of the national economy, the state plan intentions in most quality indices were not fulfilled in the first half of this year, although they improved in comparison with 1985.

HUNGARIAN, EUROPEAN AGRICULTURE COMPARED

AU221535 Budapest NEPSZABADSAG in Hungarian 16 Jul 86 p 10

[Article by Bela Rozsa, head of a department of the Central Statistical Office: "The Place of Our Agriculture in Europe"]

[Text] We have achieved outstanding results in agricultural production in the last decade. However, we can realistically evaluate the Hungarian agricultural production only if we compare its achievements not only with the results it achieved earlier but also with the results of other countries. Recently we have endeavored to determine the place of Hungarian agriculture in Europe. This survey classified 23 European countries on the basis of their results achieved between 1969-81. In the following, we provide several conclusions concerning this comparative survey of Europe.

Production Conditions

Production conditions are the primary determining elements of agricultural production. There are several among these elements which cannot be compared numerically, like perhaps the most important qualitative elements of production conditions, for example, natural and weather conditions or the professional skill of the manpower.

Our supply of agricultural and cultivation land is adequate, we occupy places 7 and 8 among the 23 countries in the survey. Our supply of arable land is outstandingly favorable. There are 470 hectares of arable land per 1,000 inhabitants in Hungary. In Europe, only Denmark and Finland have more per 1,000 inhabitants (514 hectares and 496 hectares respectively).

In the supply of production means in agriculture, tractor density [traktosuruseg] depends on many factors and can be compared only with reservations. In any case, no matter how we carry out the comparison on the number of tractors or on their capacity, the stock of tractors compared to the agricultural area is lowest in Romania and Hungary. It is striking that this tractor density is twice or three times higher in the CSSR and the GDR compared to Hungary.

In 1981, we provided 225 kg of artificial fertilizer material per 1 hectare of agricultural area. This is more than double the amount of fertilizer consumption in 1969 and only six European countries used more than that in 1981.

Animal density in Hungary is considered good in poultry and pigs compared to European countries. At the same time, it is moderate concerning sheep and low concerning cattle.

The foreign trade turnover of industrial means and materials for agricultural purposes, machines, spare parts, artificial fertilizers and pesticides is one of the indirect manifestations of the degree of the supply of agriculture with means of production. In this respect, Hungary is in 11th place in imports, 15th place in exports, and 15th place as regards balance sheet results, with a considerable import surplus.

The number of active wage earners employed in agricultural activities between 1969 and 1981 decreased by 478,000 people. Their proportion of the overall number of wage earners decreased from 25.0 percent to 14.9 percent. This proportion is higher in eight European countries, and is under 10 percent in the case of 12 countries. Agricultural area per capita of agricultural wage earner, a figure expressing the degree of manpower supply, is 8 hectares in Hungary and this puts us in 13th place.

Summing up the conditions of agricultural production, we concluded that we were in 14th place at the beginning of the seventies and in 13th place at the end of the seventies among 23 European countries.

In comparing the countries production level, we took into consideration the specific production of 30 products. Wheat is produced in every country. Eighteen countries produce wheat on areas larger than 1 million hectares. In addition to wheat, the northern countries produce mainly barley and as we go towards the south, countries produce more corn. In Hungary, wheat and corn production takes up almost half of the arable area in almost equal proportion. In the list of countries producing more than 1 million metric tons of wheat and corn and based on their average crop per hectare, -- also taking into consideration previous data --, Great Britain stood in first place in wheat production between 1976-80 with a production of 5.02 metric tons, and Hungary stood in 6th place with a production of 4.06 metric tons. The Netherlands took the lead between 1981-85 with a production of 7.34 metric tons and Hungary took 10th place with a production of 4.63 metric tons.

According to the average production of corn per hectare, the list of countries looked as follows between 1976-80: 1. Austria, with 6.65 metric tons; 2. Italy, with 6.53 metric tons; 3. France, with 5.02 metric tons; 4. Hungary, with 4.85 metric tons; 5. CSSR, with 4.46 metric tons. The same in 1981-85 is as follows: 1. Greece -- 9.28 metric tons; 2. Austria -- 7.40; 3. Italy -- 6.98; 4. France -- 6.18; 5. Hungary -- 6.11 metric tons.

In evaluating the list according to production level, one must also take into consideration the fact that there are great differences between the production levels of countries that produce more than 1 million metric tons. Thus, for example, it is also pertinent to Austria's first and second position in corn production that it cultivates corn only on 200,000 hectares, only 12-13 percent of its arable land, obviously in areas where they can expect a production of 6-7 metric tons per hectare.

Hungary is also among the leading countries in Europe in sunflower production. Only France has a slightly better average production.

This international comparison also draws attention to the poorer achievements of our plant cultivation. On the basis of average production of principal crops like barley, sugar beets and grapes, we are in the third quarter of the European countries. Only three European countries produce fewer potatoes per hectare than Hungary. We are also among the third or last quarter of the countries surveyed in the average production of some field vegetables.

On the basis of plant production summed up in cereal units and counted in units of agricultural areas, Hungary stood in 4th place among the European countries between 1976-80.

Animal Husbandry

The level of our animal husbandry in beef and wool production is among the leading in Europe. On the basis of 1981 production of pork, poultry, and milk, Hungary is among the second quarter of European countries.

Our meat production of pork per capita in 1981 stood at 113 kg and this meant 12th place for us. The annual slaughtering proportion [kivagas, arany] is still relatively low in Hungary (126 percent), and the fattening of animals of greater weight is the reason for the lower standard of meat production.

We have reached the greatest improvement in milk production within animal husbandry. The annual average milk production per cow stood at 2299 kg in 1969 and 3943 kg in 1981, a figure that put us in 9th place among the European countries. Our cows' milk production has since further increased and with a 4458 kg production in 1984 we approached the leading countries even more. Only 5 European countries have a production of milk per cow that exceeds 5,000 kg.

Comparing the production of animal products accounted in cereal units [allati termekek gabona egysegben osszesitett] and the standard animal stock at the beginning of the year, we are in third place after the Netherlands and the FRG.

Complex Gradation

As we can see, there are as many classifications as the number of indicators by which we examine the production standard of our agriculture among the European countries. Therefore, similar to the production conditions, here too we classified countries according to production level.

According to this, we were in 12th place among the European countries at the beginning of the seventies and we advanced to 9th place by the end of the seventies. This advance is even more impressive when one considers that no other country achieved such an exchange of places and all this took place while there was only one step improvement in our production conditions.

The following factors played a role in improving our position according to the production level. The field productivity of plant products grew by 50 percent and that of animal products by 45 percent; work productivity almost doubled; and production of agricultural products in proportion to the population grew by 38 percent.

Among the 23 European countries surveyed, Hungary underwent the greatest change in the seventies as regards the regional productivity of plant products, work productivity, and production proportionate to population.

Twelve countries have greater regional productivity of animal products than Hungary, mainly from imported fodder. (The Netherlands has almost 6 times more.) Subsequently, exports and imports proportionate to the population in many countries exceed our figures by several times. In work productivity, in spite of a dynamic increase, the double and triple surplus of most developed countries also shows that we have further resources.

The positions of the first ten European countries according to the level of agricultural production and according to the results of 1979-81 were the following: 1. the Netherlands; 2. Denmark; 3. Belgium-Luxembourg; 4. Ireland; 5. The FRG; 6. France; 7. Great Britain; 8. Sweden; 9. Hungary; 10. Switzerland.

Hungary belongs to the few European countries that produce more agricultural products than are needed for domestic consumption and are thus able to export agricultural products. This is well-reflected in the quantitative data on per capita production and consumption of agricultural products. Natural conditions, population density, the quantity of imported fodder for animal products, and the standard of production play a role in the statistic on production proportionate with the population.

In the second half of the seventies the per capita production of cereals exceeded 1 metric ton only in Denmark and Hungary. The per capita yield has been over 1,000 kilograms in our country since 1972. We almost reached the Danish level in 1980 when the difference between the two countries stood at 71 kilograms. (With our per capita production of 1,475 kilograms in 1984, we have already left Denmark behind.) France is the largest cereal exporter in Europe. Its 1981 exports already exceeded 22 million metric tons. We were number four in 1974, when we reached our record cereal exports with 1.9 million metric tons.

Due to our good natural conditions, we have done well in the per capita production of vegetables, fruit, and wine. As regards these products, we directly follow the southern European countries, whose conditions are better than ours. In the period 1976-80 we had a per capita vegetable production of 186 kilograms. More than this was produced only in Greece (362 kg), Spain (229 kg), Bulgaria (227 kg), and Italy (225 kg).

Our 220 kilograms per capita fruit production (including grapes) is exceeded by only five countries. Bulgaria, Greece, and Hungary directly follow those Mediterranean countries (Italy, France, Portugal, and Spain), where wine production and consumption are high. In 1983 our average per capita consumption stood at 78 kilograms of vegetables, 77 kilograms of fruit, and 30 liters of wine. The production of horticultural produce doubled the amount of consumption and this indicates our export opportunities in this area.

As regards per capita animal products, we reached extremely good results in the production of poultry, pork, and eggs. In 1981 slaughtered poultry stood at 36 kilograms per capita, and with the result we were number one not only in Europe but also in the world. Per capita pork production stood at 88 kilograms, and this level was exceeded only by the Netherlands (99 kilograms). Only the Netherland's egg production (41 kilograms) is higher than ours (23 kilograms).

Conclusions

Based on the lesson from these international comparisons, we now provide a summary of some conclusions, which are important for the development of our agriculture in the future.

It seems to be most important to say that agricultural production shows a dynamic growth in European countries, and this growth often results in surplus produce. It is important to underscore this, because also we sometimes question the necessity and profitability of further developing our agriculture. Without referring to employment, the utilization of knowledge, and our role among CEMA countries, let us bring up an argument in support of development; namely, the decade-long dynamic development of agriculture in most of the developed countries.

The lesson of the comparison is that production is being more and more specialized in countries with the most advanced level of agriculture. Agriculture in our country is characterized by diversity. The situation is justified by our level of economic development, meeting domestic supply with domestic produce, guaranteeing full employment, etc. However, in addition to diversity, we can see a growing tendency toward specialization.

The international comparison made it clear and proved with figures what role is played by foreign trade in shaping the conditions and standard of production.

There is another palpable conclusion: One of the most important conditions for the achievement of further growth in our agricultural sector is developing the supply industry.

Industrial food processing is also at a high level in countries with the most advanced level of agriculture. This is not so by chance, because agricultural products can be best sold today in the form of highly processed products. Thus, the guarantee for agricultural progress and development is provided by a highly developed food industry.

HAVASI SPEECH AT 18 JUNE MSZMP CC MEETING

AU221131 Budapest TARSADALMI SZEMLE in Hungarian No 7, Jul 86, pp 3-11

["Abridged" text of speech delivered by Ferenc Havasi, member of the MSZMP Politburo and secretary of the Central Committee, at the MSZMP Central Committee session held on 18 June 1986: "Ferenc Havasi: Improving the Economy's Performance Capacity Is in the Forefront"]

[Text] The last time the Central Committee received information about the situation of the people's economy was in December 1985. With respect to some points there has been a considerable difference between the predictions made at that time on the expected implementation of the 1985 plan and the real performance:

-- Due to the decline in December last year, the growth of industrial production projected for the whole year did not reach 1 percent;

-- The 1 percent decrease in agricultural production forecast in December proved to be a wrong estimate, the real decrease was close to 6 percent;

-- As a result of all these developments, instead of the projected 0.5 percent increase, national income actually decreased by 1.4 percent.

The budget closed with a greater deficit than was planned or expected and the several-year-long process of decreasing the stock of debts came to an end.

The fact that development in 1985 was less favorable than expected has in itself made conditions for the implementation of the 1986 plan more difficult and has increased the tensions within the plan. It has become clear that it is possible to assert the main economic policy requirements of the 1986 plan only if:

-- National income increases by at least 3 percent compared to the planned 2.3-2.7 percent and if this increase is based on improved income production in the productive sectors;

-- The balance surplus of foreign trade accounted in currencies other than the ruble is not smaller than that stipulated;

-- The trade turnover accounted in rubles is essentially balanced, in harmony with interstate agreements;

-- The level at which the population's consumption and investment increase does not exceed that planned, and -- in order to maintain the level of real wages as stipulated in the plan, along with a planned 5 percent increase in consumer prices -- the wage outflow is also in accordance with the stipulations.

In addition to the difference in the expected and real development of 1985, there were also other unpredictable negative events, such as a considerable decrease in the world market price of mineral oil derivatives, a decrease in imports by oil-producing countries, a further reduction in the price of our important export products (for example, wheat, beef, and vegetable oil), a considerable increase in the price of some imported products (for example, coffee), the rate of exchange of the dollar, and the EEC embargo on our food industry products instituted in May on the pretext of the Chernobyl nuclear accident.

Evaluating the effects of these unfavorable changes, economic management bodies have determined the necessary tasks and have taken a series of measures. On the basis of the analysis of the new situation, we had to decide to list the requirements and priorities more consistently and rigorously: for 1986 we give priority to improving the foreign trade balance, safeguarding the standard of living, and at the same time to implementing the anti-inflationary policy. This order requires a rearrangement of the short-term tasks, but it does not mean that we have given up the other requirements.

In order to attain these objectives, the government adopted additional measures, the majority of which are aimed at increasing the enterprises' interest in exports to capitalist countries. The surplus resources necessary for this additional encouragement can be regrouped only from other areas of domestic consumption. Another group of measures is aimed at creating a better harmony between performance and individual income; in the framework of the third group of measures, for example, we have reduced the producer's price of mineral oil by 15 percent as of 1 May, we have reduced budget expenditures, and have instituted other cost-saving measures. As these measures took force in March and April, they have not yet made their influence felt, but they were absolutely necessary and justified in order to enable us to fulfil the economic policy requirements formulated in the annual plan.

In spite of the steps taken, the situation of the people's economy is not an easy one; the necessary harmony between the production and consumption processes had not yet been achieved at the end of May. The development of the people's economy in the first 5 months of the current year is characterized as a whole by the continuation of the unfavorable tendencies of last year: the foreign economic balance has further deteriorated, the improvement in production efficiency has been lagging behind the necessary level, acceleration has taken place only in certain areas and not to an adequate extent, and the domestic consumption increase exceeds the level of resources produced.

It is well known that industrial production decreased slightly in the first quarter of the year, mainly for individual reasons: a decrease in coal production, mineral oil processing, and in food industry production. Production accelerated in April and May, but only metallurgy and machine industry increased production considerably. It is our fundamental task to achieve an acceleration of industrial production in the remaining months of the year. This year we must do our utmost to avoid the usual summer production decrease, or at least to limit it. The rate of production growth must reach 3-3.5 percent in the remaining months of the year, as only this gives us hope of achieving the 2-2.5 percent annual growth stipulated by the plan.

This reduced growth covers a significant diversity and the growth rate has been quite different in various sectors. Performances of enterprises operating under identical conditions are also different. There are enterprises among them that are working outstandingly but unfortunately there are also many enterprises whose work is rather poor. The multitude of examples shows that at enterprises whose work is rather poor. The multitude of examples shows that at enterprises characterized by determined and firm work and firm action, the efforts bear results; and the other way round: in places where people are waiting around and where there is a lack of initiative, hope, will consistency, and organization, they are marking time or experiencing a decline.

Quite a few of the enterprises achieved considerable results in increasing their exports accounted in convertible currency, in organizing the production background, and in ensuring the stock of marketable goods. We can also find good examples of efficient work and import substitution in the light industry and food industry. The cost management of more than one-third of the enterprises proves that the specific increase in expenses is not an inevitable phenomenon. A good example of modern management is the fact that several dozen enterprises increased their profitability and provided a better range of products. Several building industry enterprises have also found possibilities for the efficient utilization of their capacities.

At the same time, however, there are also many negative examples. There has been an unfavorable development in primary export contracts. In many areas, there is still a lack of the necessary order and discipline for successful activity, and enterprise profits or personal incomes acquired unlawfully or in a doubtful way are not infrequent either. There are also frequent unjustified price increases. Some of the low-efficiency and loss-making enterprises have taken only weak or one-sided measures. Although they have eliminated some unprofitable activities, they have not substituted new activities for production losses in order to fill up the capacity, and they have even refrained from reducing the number of employees. This laxity is proven by the fact that there has been no strengthening in the harmony between income and performance.

The autumn agricultural work which lays the foundations for the 1986 agricultural production was carried out orderly and in time. However, the sowing area of cereals and of corn is only close to that stipulated by the plan. Thus, it is all the more important for farmers to carry out the upcoming harvesting in an organized way and with the smallest possible loss. In addition to good weather, this is also necessary to achieve the planned yield of 16 million metric tons of wheat. From the viewpoint of reaching the agricultural provisions it is promising that the measures aimed at halting and reversing the declining tendencies in animal husbandry last year have already been making their influence felt. It is also necessary that weaker units make use as soon as possible of the experiences of outstanding farms in production and thus increase their yield both in plant cultivation and animal breeding, and reduce expenses. This is particularly important in the case of arms where conditions are good but results are lagging far behind the possibilities.

From the main areas of domestic consumption it is possible to conclude that the acceleration in the outflow of the population's incomes already began at the end of last year and continued at the beginning of this year. As a result of measures taken by the government, this outflow of wages has decreased from month to month and in May it did not reach the 6-percent mark. Consumer prices increased by 5.6 percent in 5 months, slightly exceeding the stipulated mark. Several signs indicate that an increase in the standard of living exceeding the plan might occur this year, too. If this is not backed up by the economy's performance then it is not desirable. In order to avoid this development there is a need to firmly control the processes connected with the development of population incomes, to promote an increase in savings, and to block free purchasing power.

Signs of the usual upswing in investments at the beginning of a 5-year plan period are also present this time: There has been an increase in the number of starting investment projects and there is great pressure in finding budget and credit sources. Since April, there has been a dynamic increase in enterprise investments, and enterprise investment payments have exceeded those of last year by 10 percent. Following several years of a drop in investments, this can be a promising turn insofar as these development projects fulfill the economic policy requirements.

Considerable changes have taken place in the world economic conditions of economic growth: The devaluation of the dollar has continued, oil prices have decreased, there has been a decrease in the rate of inflation and in interest rates, world trade has accelerated but signs of decline are also present.

The volume of both exports and imports accounted in rubles has increased, including exports of food industry goods which have increased by more than the average in harmony with the obligations to industry took upon itself. The goods turnover balance was unfavorable at the end of May. We must strive to attain an increasing turnover of goods in the remaining part of the year and to attain an essentially balanced goods turnover by the end of the year.

The volume of non-ruble-accounted exports has reached the level of the same period last year. Within this, with the exception of food industry products, exports of all main groups of goods increased. Under the same terms of comparison, imports have considerably exceeded the planned level, and thus the import surplus of the turnover of goods has also exceeded the level of the same period last year.

The question that arises is: What are the reasons for the fact that our achievements so far have been poorer than expected?

Obviously, here we are talking about the complex interraction of objective and subjective, that is, external and internal causes, among which there are also factors that are rooted in the decades of our economy's development. But there are also a considerable number of factors that originate from the lack of solutions given to the problems of a specific year or even to daily problems.

Among the more deeply rooted causes, it is worth mentioning the fact that the poor performance of the economy, including that of industry, is connected to a structural problem that has been presented for several decades and which is changing only slowly; namely, that the share of the extractive sectors and of the energy sector in the Hungarian economy, including industry, is disproportionately high; that the standard of up-to-dateness of our products is average, that their material and energy demands far exceed the world average; and that priority is given too slowly to the requirements for quality, efficiency, and competitiveness in production as compared to quantity. In other words, the structural transformation in our economy is slow and technological development is inadequate, a situation which now, when there has been a considerable acceleration in the process of technological modernization in the economically developed countries, is even more striking. All these factors increasingly reduce the value of our exports supply.

Another factor closely related to the structural reasons and to the changes in the foreign market conditions is that due to greater investments made by our competitors, our competitiveness is lagging behind the desirable level: we are unable to reflect domestic expenses adequately, even in the prices of goods that are greatly in demand on the world market. The long existing shortcomings in labor and production management, the extremely high operational costs of the enterprises, the low level of productivity, and even the fact that lax discipline -- and in certain cases lately even a failure to adhere to the elementary norms of order not only in the economy but almost in all the areas of public life -- are all manifested in the above situation. Concerning all this, it is enough to mention only the latest accidents involving fires.

Other factors, like the fact that there has been a drop in the demand for some of our products on the world market, and as a result these products could be sold only at reduced prices, and the fact that hard currencies' exchange rates in relations to each other have undergone a considerable change, have both had a negative effect on our economy. We are not at all, or only partially, to be blamed for this situation. [paragraph continues]

However, it is all the more our fault that the encouraging and restricting effects of the system of economic regulators are not adequate enough; that in the current system of economic conditions there are not enough means for development, even for successful enterprises; and that, in certain cases -- like in encouraging non-ruble exports and agricultural production -- the economic management organs were slow in taking the necessary measures, while in other cases they gave in to pressure to support mediocre and poorly managed enterprises.

All these draw attention to the fact that, in spite of the obvious results achieved in planning and developing the system of economic regulators in the past 2 years, there is still backwardness to be reckoned with in this area. The planning activity is still unable adequately to take into consideration all the conditions for production and management, and the economic regulations are still unable to fulfill their functions of conveying and coordinating interests well. It is also important to draw attention to this fact because we must clearly see that an urgent problem such as the reorganization of the production structure can be solved only if planning and the plan itself undertake to find a solution and also create the necessary means to that end.

Among the reasons for poorer performance than necessary, we must also mention the factors which originate from the enterprise management and which are connected with the level of enterprise management and the role of subjective factors in management.

When analyzing our affairs self-critically and critically, we must also mention that even the most perfect system of management and regulators cannot eliminate problems which must be solved within the enterprises. There are considerable resources within the Hungarian enterprises. There are several dozen enterprises in the Hungarian economy which were decorated for their achievements with the Congressional Banner and the Outstanding Enterprise Medal, but there are also several hundred enterprises where there is no development. It is not accidental that a foreign organizational contractor notices at first sight the possibility of a 30-50 percent improvement in efficiency in a factory where the Hungarian expert's eye does not notice any possibilities for improving efficiency, and this as a matter of routine. It is not only due to market reasons that the average number of work shifts in the machine industry is one or two, and that very expensive machines, often imported for hard currency, are standing unused. All this shows that the leaders bear great responsibility for improving the efficiency of the activity within their enterprises and that the personal subjective factors are playing a considerable role both in organizing the activity and in improving discipline.

Regarding recent years, we can see that there has been no drop in economic performance; on the contrary, it has increased slightly. It is also true, however, that we have been unable to create the conditions for the planned acceleration. Acceleration is an activity that demands a series of gradual and coordinated measures because the stagnation of the Hungarian economy is not related to causes in market conditions and cannot be compared to the dropping or stagnating phases of the cycles of the capitalist countries, and therefore it cannot be solved by the methods used in the capitalist countries. While in the capitalist countries the characteristic of this period is that there are unutilized manpower resources and people walking around without employment and that economic stagnation is caused by the particularities of the capitalist economic mechanism, in our case, economic stagnation can be traced back mainly to structural factors and the inadequate distribution of resources. Economic dynamism, therefore, cannot be attained merely by financial policy means; there is a greater role to be played here by a regrouping of resources from unprofitable areas to marketable and efficient areas, by an improvement in export capacity, and by a more dynamic utilization of scientific results in production. Based on experience to date, it would in any case be an illusion to think that acceleration of the balance-oriented economic development can be achieved here within a relatively short time or that it will occur soon.

We have not experienced in 1986, nor do we expect to in the future, favorable and radical changes in the external circumstances or in other conditions of economic activity, changes that could provide a sudden impulse to our development. At the same time, however, there are some factors which we think could help us in implementing our goals.

There is hope of increasing the ruble-accounted turnover beyond the agreed level and to enrich cooperation with new forms, for example, joint ventures and associations in production and in scientific research. Now that we have taken the necessary measures, for example, the regulations concerning investment protection and tax reductions, foreign enterprises are regarding our efforts to establish mixed enterprises as more attractive. We must make better use of these possibilities for establishing mixed ventures with both capitalist and socialist countries and for attracting working capital.

Our country's financial and economic evaluation in the international financial world continues to be good. It is true, however, that a repetition of last year's failures would endanger this reputation. Compared to 1981-1982, there are adequate financial and currency reserves at our disposal and we have reduced our vulnerability. We have improved the composition of our stock of debts from the long-term credits obtained in the last year and a half, and some of these loans can be used for creating profitable export capacities; but only for this purpose and nothing else!

The continuation of the current level of oil prices could, in the long run, improve the terms of our foreign trade turnover and could lead to a reduction in the increase of producer prices and a weakening of inflation. Although not a radical change, a further reduction can nevertheless be expected in the interest rates on the international financial market.

The fact that the shift to the new forms of enterprise management will be concluded this year can be listed among the factors of progress. The elected bodies can become a serious stabilizing force supporting the leaders who demand strict order and discipline. Finally, the discernment of enterprises will be advanced if we publish in time the modifications to the 1987 regulations in order to help them in their ventures.

The situation requires greater consistency and more concrete work both in management and in the implementation of tasks. It is very important that the unity necessary for the implementation of tasks manifest itself in action and that the assertion of responsibility become part of our activity both on party and state levels.

It is a fundamental social and economic interest to make sure that 1986 will represent a breakthrough in accelerating the structural changes. Undoubtedly one of the most urgent dilemmas of the Hungarian economy is how and how fast it can answer the palpable challenge. The real test of the acceleration of structural changes, the improvement of the people's economy's balance, and of the firm management attitude connected with these requirements lies in settling the situation of the four sectors of the economy which have been in crisis for a long time -- coal mining, iron metallurgy, the meat industry, and the building construction industry. A general review of their complex situation and the formulation of proposals for settling the situation of some of them have already taken place or are going to conclude in the near future. Their activity, organization, production structure, and the production subsidies allocated to them will all be reviewed.

If we could solve this problem merely by halting or limiting production -- although we cannot give up this means either -- we would have a relatively easier task. However, we have already curbed the coal mining industry once under more favorable financial conditions and we know the consequences it led to. [paragraph continues]

Of course, at that time too, the problem was not that we closed a few dozen pits and curbed losses and outdated production, but that we did not modernize and make competitive the ones that could have been made modern and competitive. The elimination of negative factors occurred at the same time as the delay in development, and this is how we got into the resulting situation. If there is no improvement in the possibilities of efficient development in other areas, then substituting for the loss in production becomes questionable and there is even a danger of deterioration in the foreign and domestic market balance. In addition, we should take into account a series of social and area tensions, particularly in counties like Borsod, where there is a considerable concentration of these crisis sectors.

Of course, I do not wish to say that we can and do acquiesce in preserving unprofitable production. I stress that we must limit and even curb such production. A genuine solution, however, would be if we could make these activities profitable and if we could remove any obstacles from the path of increasing efficient and profitable production.

The implementation of this year's goals -- particularly the improvement of the budget balance and the increase in the economy's income-producing capacity -- cannot dispense with providing solutions to the problems of organizations that are making steady losses or are operating with basic deficits. To achieve such solutions, I believe, a general change in attitude is needed. It is essential to accept and consistently assert the principle that the capital deficits and losses of economic organizations cannot serve as pretexts for acquiring state finances. The economic problems must be solved generally by the organizations affected themselves, by rationalizing their activity, reducing expenses, modernizing their production structures, and, in extreme cases, by partially or fully curbing their activity. The coordinated attitude of the guiding organs in this respect has been outlined. It is also necessary, however, that the organs and political bodies representing local interests adequately interpret and correctly deal with such conflicts between the enterprise interests and those of the people's economy. It does not facilitate the work but, on the contrary, makes it more difficult if press or television publicity is used to help postpone the necessary decisions for rationalization, as in the case of the Medicor plant in Miskolc or the early spring tomato supply affair of the Skala enterprises.

Our basic principle is that the interests of the people's economy and of society have priority over group or individual interests. Neither is it new for us that in the final analysis the lasting eclipse of enterprise interests also makes it impossible to assert the interest of the people's economy, since the economic situation depends, in the final analysis, on production and the activity of the enterprises and cooperatives. At the same time, we must take into consideration that in such a pressing situation it is very difficult, and in some cases impossible, to assert all the various interests.

The budget situation deserves particular attention both from the viewpoint of the balance of the people's economy and of the success of our anti-inflationary program. There is a danger of a deficit in the state budget in the making; this danger increasingly threatens us with an increase in inflationary pressures and with a shortage of goods. Therefore, we must implement a budget policy and practice which do not set off [ellentetelez] the loss of enterprise income originating from a deterioration in efficiency or from an inadequate improvement. It is necessary to review the justification of the grounds and extent of all production subsidies and discover the possibilities of genuine saving in the process. The budget organs would also be justified in introducing wider and more comprehensive saving measures than hitherto.

We must already decide on the measures planned for the second half of the current year with a view to the need to prepare the annual plan for 1987. Thus, we must consider not only the implementation of the annual plan for 1986, we must also strive for steady economic activity that will ensure the implementation of our intermediate-term economic policy goals. Therefore, based on the experiences of planning, regulation, and economic management of 1985 and 1986, we should advance and accelerate the preparation of next year's plan. As soon as possible we must publish the regulatory measures connected with the plan and which contain both encouraging and restricting elements, and where advisable some measures must even be taken in the course of the current year. In the course of this activity it is necessary to modify certain important elements of the regulations. In the course of the development of income regulations, we must assert the basic principles that continue to be considered correct by making sure that greater stress is placed on greater harmony between performance and incomes.

The first 5 months of the current year point to certain tendencies but it is difficult to draw lasting consequences from the numerical data. This time too we are facing a situation in which there are generally more imports at the beginning of the year. This is also increased this year by the supporting measures. Thus, it is understandable that the external financial situation is not developing steadily. The level of price increases at the beginning of the year is higher than if it were projected on a 12-month basis, and the same is true of the wage outflow situation. Nevertheless, there is undoubtedly a serious danger in the making, namely, that under the current situation the effects of reduced growth, even curbs and restrictions might not lead to a similar improvement in the balance as in the years following 1979. The resources of such a method have been exhausted. We again arrived at a crossroad: Either we find the road leading to acceleration of the economy based on intensive resources or we will be unable to cover the present social consumption from the income producing capacity of our economy. We must clearly see that 1985 is not an accidental deviation or blunder, but the beginning of an unfavorable phase and we must avoid its continuation.

Our most important value is that the trust between the party and the masses, between the political leadership and the population, trust which is the basis of the domestic policy's stability, continues to be present. At the same time, it is also clear that this stability is exposed to ever increasing trials. This is first of all connected with the performance of the economy and with disturbances in the functions of distribution. And it is also clear that if we want to preserve this stability and wish to create it anew -- and we cannot have a more important desire for the benefit of renewal -- then we must first of all turn our attention to improving the economy's performance capacity.

Economic issues are still not playing an adequate role in the thinking of our society and public life. This, among other things, also goes hand in hand with the fact that there is an insufficient social mood [rahangoltsag] for solving our economic problems. But it is hardly possible to make the economy dynamic when a bad mood and a depressed spirit and attitude become the fashion.

Today the economy is that magnetic field where all the tensions of society, political extremes, sulkiness, and mutual anger meet. It is the economy that has become one of the elements of our international prestige in the past decades, and we cannot let it be damaged and weakened now. This is also the reason why today is it indispensable to have a social mood which inspires and supports firmness, dynamism, and action.

Development absolutely requires the improvement not only of work discipline but also of general citizens' discipline and order, and the strengthening of recognition of obligation and of the feeling of responsibility. Socialism must not be a society of carelessness and irresponsibility.

We must part with leaders who are afraid of keeping discipline, of educating people to become disciplined, or who regard all this insignificant, because they are not suitable for their positions. Part of our socialist scale of values is to defend and support disciplined people. An endeavor to excuse people who carry out their work carelessly and without discipline is inadmissible.

Will, conviction, and a mood of action can considerably motivate the country's situation and the state of the society. We know that it is impossible to achieve our goals through these means alone but it is also a fact that we cannot achieve our goals without them. In addition to this, however, the time has no doubt come to consider our tasks one by one again for the benefit of the positions of the party congress and of the implementation of the Seventh 5-Year-Plan. Our economic tasks occupy the first place on the list of our tasks but it would be a mistake if we did not coordinate our urgent tasks in this direction with other tasks. Our domestic political situation and the improvement of the general mood in many respects require conscious and coordinated action in other areas. That is why the Politburo has proposed that the Central Committee examine while we are still in this year the relations between the society and the economy, between politics and the economy, as well as the social conditions of the work of economic construction, with a view to what we should do to attain the goals of the congressional decisions and of the 5-year plan. Even amid these difficult circumstances, we must not get into a situation where we give up these goals and requirements and set our standards lower.

It is important that our party organizations should not allow a loss of perspective and lack of confidence to occur. Public and mass organizations, including the trade unions and the KISZ organizations, should mobilize their members and workers and help in the implementation of the plan's goals. They should make the people better aware that we do have a program: the decisions of the 13th MSZMP Congress, the Seventh 5-Year Plan, and the continuation of the economic management reform. The most important thing now -- both in the enterprise sphere and in the sphere of economic management -- is to fulfill the increased tasks of the annual plan for 1986. Much depends on this: nothing less than the development of the coming years. This means responsibility not only to our people but also to our socialist friends.

LARGE NUMBER OF ECONOMIC REGULATIONS CRITICIZED

AU250914 Budapest NEPSZABADSAG in Hungarian 23 Jul 86 p 1

[Article by Andras Szigethy: "Superfluous Statutory Provisions?"]

[Text] More than 500 policy guidelines, decrees, regulations, declarations, and statutory provisions intended to exert their blessed influence on the economy have been published so far this year. This dumping of statutes marks a record for recent years.

What is more, all this is taking place at a time when we have made significant progress in increasing effective enterprise independence by establishing new forms of enterprise management. Why this double-dealing? On one hand there is a trend to stress independence and create more stable and real conditions for it, while on the other there is a frightening proliferation of administrative regulations from the top. This question cannot be dismissed simply with the witty remark made by one of the ministerial officials at a recent economists meeting. As it happens, he said in the ministries everybody tries to move through and sign at least one statutory provision during his term in office.

In fact, the situation is much more complicated than this. One cannot even say that in this way people are only trying to enforce the will of the central administration because there are enterprise managers who very frequently mention that it would be good to have legal measures to regulate operations in certain areas and they would be welcome. Of course, it is not too difficult to notice that in such cases old reflexes have taken control, implying that the only sure thing can come "from the top."

However, the same enterprise managers say that it is almost impossible even to follow, no matter to apply, the ever increasing number of statutory provisions. Apart from this, it is also one of the many aspects of this truth that a declaration here, referring to one particular area, is contradicted by another instruction there.

The above situation reflects the mutiple ambiguity of the Hungarian economy. Past, present, and future live together and test each others crumbling or just expanding limits. The situation is even more tense because unfavorable conditions have to be dealt with in a short time and it is possible that we are not exactly using methods that would pave the way for the future at the same time. Central adminsitration and enterprise management are trying to learn and solve a historical lesson; how renewal can and must be achieved.

It would be too easy and too simple an answer to say, with fewer statutory provisions. Reducing or increasing the number of laws would not make a real market out of a semi-market, make goods more competitive, or automatically increase the quality of labor and products.

So, are statutory provisions superfluous? Some certainly are, those born out of impatience to renew certain [economic] regulators at once. Thus, by using intervention (statutory provisions) with the definite aim of solving problems in a particular area, it is impossible to force actual processes, which are deeply rooted in the economy, to adopt a rhythm at our whim and follow the zigzag of modifications.

This aim will remain an aim. In many cases a decree or an instruction cannot exert any influence. To issue a decree requires a deep understanding of economic movements, the foundation of a system of conditions for favorable trends, and last but not least, a lot of patience.

Of course, it is impossible to express an opinion here about these statutory provisions in general, since they all have a function in their own place, whether this function is true or false. Yet, this would require a judgment in concrete terms. Here we only wish to call attention again to the dangers of the extensively growing trend of lawmaking -- sometimes right down to individual cases. For this seemingly easy way could cause serious disturbances in the economy or even trigger an effect entirely opposite to the one expected. Instead of helping, it is rather spoiling the chances of enforcing central wishes and decisions.

PAP REPORTS MEAT PRICES TO RISE 8 PERCENT 1 AUG

LD251918 Warsaw,PAP in English 1759 GMT 25 Jul 86

[Text] Warsaw, July 25 -- The Finance Ministry has said the prices of meat and related products will go up eight per cent as of Aug. 1, as part of a programme announced last March 17.

Rationing of meat will be continued as before.

The move completes a time-table of officially regulated retail prices of basic food articles, announced in a communique last March.

By way of example, the price of bacon rises from 130 to 140 zlotys per kg (7.7 per cent), quality beef from 340 to 368 zlotys per kg (8.2 per cent), chicken from 206 to 222 zlotys per kg (7.8 per cent), boiled pork ham from 896 to 968 per kg (8.0 per cent), and standard sausage from 240 to 260 zlotys per kg.

According to PAP commentator, food price rises last March and now will increase the officially regulated prices by a total of 5.3 per cent throughout the year, less than assumed in the annual economic plan, in spite of overplan increase of money incomes of the population.

Both rise moves were enforced by higher production costs in the agriculture, the food industry and trade.

The present agricultural policy, which encourages profitable farming, has increased farm production and procurement of agricultural products, market supply of the basic good articles as well as the procurement and supply of meat.

But they are still much lower than in the past and, with this scale of the hikes, do not allow to lift meat rationing.

Commentary Justifies Rise

LD252109 Warsaw Domestic Service in Polish 1700 GMT 25 Jul 86

["Commentary from the POLISH PRESS AGENCY"]

[Text] The rise in the price of meat and its products is not unexpected. It was announced for August over 4 months ago in a 17 March communique about the raising of some food prices and the expansion of welfare benefits. It is an increase of 8 percent, exactly as announced at the time.

The rise in some food prices introduced in March and the present rise in the price of meat and its products will also cause and include a rise in official prices of basic food items, by an average of 503 percent in the whole of 1968, despite the fact that the rise in the population's money income is higher than planned.

The rise in the cost of meat and its products, similar to the rise in cost of other basic food items introduced earlier, has been caused by increases in production costs in agriculture, food processing and the distribution of food items. An appropriate connection must, after all, be maintained between the level of prices of the means of production for agriculture, the purchase price of agricultural products and retail prices of food items. The breaking of the connection between these three types of prices always leads to a deterioration of supply in food items as evidenced by exactly such a price policy during the seventies.

The result of the currently fulfilled policy in relation to agriculture, which is creating favorable conditions for the profitability of production, is the increase in production and purchase and improvement in the market supply of basic food items. Livestock procurement and the meat supply are also increasing. However, they are still considerably lower than years ago, which, because of the scale of the rice increase being introduced, does not allow for the abolition of the ration system for the sale of meat.

FURTHER REPORTAGE ON 2D PLENUM OF PZPR CC

Jaruzelski Closing Speech

["Jaruzelski's Closing Address at PUWP CC 2d Plenum (Abridged)" -- PAP headline]

LD260121 Warsaw PAP in English 0044 GMT 26 Jul 86

[Text] Warsaw, July 25 -- Speaking about the international significance of the 10th PUWP Congress, Wojciech Jaruzelski noted that it constitutes a definite contribution to the efforts and initiatives of the socialist community aimed at detente and the defence and consolidation of peace. Mikhail Gorbachev's address, delivered here, in Warsaw, had a special meaning. Stabilization, normalization, and the process of positive phenomena occurring in socialist Poland best support this policy. At the same time it is a blow on external and internal enemies' hopes to destablilize our state, and thus to question the territorial and political status quo in Europe. There were expectations that we would eventually get exhausted, slow down the pace, check the post-congress impetus. But it is not going to be like this. This our 2nd Plenum clearly proves that, said the PUWP CC first secretary.

Poland's dignified position within the socialist community, restored with so much effort, is of particular value to us. It provides us with new opportunities to consolidate our position in cooperation based on mutually advantageous terms also with other countries.

The plenum's basic target was to develop and consolidate the congress contents, and most of all to outline the directions and methods of the implementation of its resolutions. The intensive rhythm of work must be maintained.

This plenum was mainly of preparatory character. Only concrete actions at factories, instituions and schools, in town and village, in all walks of our life, and most of all at the basic party organizations will decide about the materialization of the resolution, about the final results of the 10th PUWP Congress. It is from this angle that we must and will assess the work of party members, especially the ones holding managerial posts. The Central Committee and Political Bureau should most thoroughly and consistently follow this process.

We are in great need of criticism. We must more clearly view all drawbacks which keep the party and state from reaching the targets they face.

I would like to call your special attention to the relation between the effects reached and the subjective factor such as human attitudes, operation of party committees, or party members working at enterprises and administration, continued Jaruzelski. Industrial production can give an example of such a dependence. In a firm majority of voivodships the growth rate envisaged by the annual plan was surpassed over the first half of this year. But in a few voivodships, not only the planned indices were not reached, but the production dropped. Even the objective diversity of conditions does not explain such wide gaps, particularly visible in the correlation between the increase of labor productivity and the growth rate of wages. Wojciech Jaruzelski critically illustrated these assessments with real-life examples.

We also note alarming signals concerning production quality.

We recently noted a decline in the quality of products in one third of 63 of the inspected enterprises. The reasons behind it were not only objective, independent from the enterprise, but most often lack of technological discipline, insufficient supervision of technical staff.

The curing of cooperation system [as received] also requires thorough attention. The irregularities in this field are often caused by unreliability of some co-producers. Such phenomena must be treated with full seriousness, especially today, in the light of material shortages.

Proceeding to problems of intra-party work, Jaruzelski characterized data concerning the party and concluded that a comparative method assessment, like with regard to economic issues, can be used with regard to some signs of intra-party life. It is particularly important to thoroughly analyze and draw proper conclusions from the growth of party ranks in individual regions and social and professional milieux, and from the level of activeness of party members in social, trade union and self-management organizations and in representative bodies.

Great disproportions occur also in this area and they require to be seriously analyzed. However, they have, primarily, to be eliminated by means of moving up. We must "push" all levers so that there are no links and areas clearly lagging behind, both in the party, administrative and representative arrangements.

The way of implementing the review -- attestation, should become by itself a model of honest, good work for those industrial plants and institutions which will be subject to attestation.

It is good that the idea of attestation is winning broad approval, and thus a confirmation of accuracy of recognizing social expectations and needs. We must prove that we are able to consistently solve problems.

The preparations for attestation should be carried out in a solid and honest way. This means, in the first stage, the setting in order of the whole intra-factory records. Sham actions would be inadmissible. Such cases should be treated as violation of business duty and party norms.

This brings particularly duties for party organizations and authorities at different levels as well as every party member who must play in this process the role of a guard of legal order and animator of good labour. Also tasks of the worker-and-peasant inspection supported by experts are connected with this.

Hence a joint action is necessary, and we should secure such procedure under the leadership of the party.

Next, the PUWP CC first secretary recalled and stressed the necessity to improve work with personnel, that is to conduct principled cadre reviews, honest job contests, to issue recommendations with highest responsibility, all this accompanied by the need to reach widest social approval.

Wojciech Jaruzelski characterized the significance of the Central Control and Audit Commission established by the 10th PUWP Congress, and of its regional counterparts. In accord with what was said during the congress, we shall start the review of posts and its appropriate reconstruction from ourselves, he said. The first signal here is the fusion of the PUWP Central Control and Audit Commissions, as well as that of their regional counterparts. The PUWP CC Propaganda and Information Department will be also joined to ther. Apart from their functional results, such actions also let us economize on jobs.

We will undertake further steps, feeling fully responsible, of course, for making proper use of every man. No person well prepared and working well should worry about his future.

The PUWP CC first secretary confirmed the rightness of the stress laid at the plenary meeting on the quality of work of basic party organizations, the need to enhance their contacts with the party committees and apparatus, including its top levels.

Wide support from the working class, the working people, and society constitutes a fundamental factor of party power. We are to show society the path of socialist construction. The 10th Congress armed us properly with values helpful in the realization of this task. This chance cannot be lost. The dynamics of our hitherto actions, including the impulses stemming from today's plenary meeting, consolidate the credibility of congress decisions, and confirm the intentions expressed by the congress.

Speaking on the most urgent needs of youth, Wojciech Jaruzelski said: "We must constantly remember the serious losses we suffered among youth, and do everything to prevent their recurrence in the future. Every action launched by the party must be aimed at winning the young for socialism. We must show the young the chances for creative life given by socialism, and chances to fulfill their life and patriotic aspirations given by the line of the 10th Congress."

Against the backdrop of the wide campaign of fighting social ills undertaken by the party several months before the congress, Jaruzelski said that it is necessary to strive for law abidingness, for making every Polish citizen feel that he is equal before the law, that the same law applies to everyone.

Wojciech Jaruzelski concluded by saying that the Central Committee opens its new term with richer than ever resources of fundamental and theoretical assumptions. "Party programme was elaborated for the first time in PUWP's history," he said. "We also have the 10th PUWP Congress resolution, with a list of definite tasks for the nearest years. We have a socio-economic development plan, and an enormous reserve of conclusions from the pre-congress discussion and the congress debates. The thing here is to transform this comprehensive material into real, effective action."

"The [opening quotation marks as received] further development of People's Poland depends on the consistence of our implementation of the 10th PUWP Congress resolutions and its programmic thought. The PUWP must become a party of action. I am convinced that our Central Committee will prove to be a committee of action corresponding to the 10th PUWP Congress measure, to the historic tasks the Polish United Workers Party is facing now.

Resolution Assigns Commissions

LD251720 Warsaw Television Service in Polish 1940 GMT 24 Jul 86

["Full text" of the resolution adopted by the Second Plenum of the PZPR Central Committee on 24 July]

[Text] The PZPR Central Committee approves the directions of fulfillment of tasks from the 10th Congress, presented in Politburo report, information concerning the comprehensive review of organizational structures, and the certification of work positions in the concluding speech of Wojciech Jaruzelski, first secretary of the Central Committee. The Central Committee places an obligation on all party members and candidates to organize party echelons to actively disseminate the 10th Congress achievements and consistently introduce its decisions into life.

The Central Committee addresses itself to members of the party and non-party members; to members of allied political parties, the ZSL, and the SD; to the trade unions; self-managements; to social organizations; to creative associations; youth, womens', and veterans' organizations, to all PRON cells to create a climate of social support for activities serving the realization of the 10th Congress decisions.

The Central Committee appeals to all citizens to actively participate in the universal review and modernization of organizational structures and in job certification. The Central Committee, in accordance with points 49 and 53 of the statute, confirms the rules of work [regulamin pracy] of the PZPR Central Committee and its problem commissions and the rules of work of the PZPR Central Committee Politburo.

The Central Committee, in accordance with Point 52 of the statute, appoints the following problem commissions and their chairmen:

Kazimierz Barcikowski as chairman of the Social Policy and Health Protection Commission;

Jozef Baryla as chairman of the Commission of Internal Affairs and Party Activity in Representative and State Administration Bodies;

Jozef Czyrek as chairman of the International Commission,;

Jan Glowczyk as chairman of the Propaganda Commission;

Alfred Miodowicz as chairman of the Suggestions, Complaints, and Signals from the Populace Commission;

Zugmunt Muranski as chairman of the Mining, Raw Materials and Energy Commission;

Tadeusz Porebski as chairman of the Science and Education Commission;

Zofia Stepien as chairman of the Commission for Family Affairs;

Marian Wozniak as chairman of the Commission for Economic Policy, Economic Reform, and Worker Self-Management;

Stanislaw Bejger as chairman of the Maritime Commission;

Zbigniew Michalek as chairman of the Agricultural, Food Economy, and Forestry Commission;

Henryk Bednarski as chairman of the Ideological Commission;

Stanislaw Ciosek as chairman of the Law, Law and Order, and Moral Health Commission;

Kazimierz Cypryniak as chairman of the Commission of Youth, Physical Culture, and Tourism;

Andrzej Wasilewski as chairman of the Culture Commission.

The Central Committee authorizes the Central Committee Politburo to shape the complete compositions of the problem commissions and makes obligatory their presentation for approval at the Third Central Committee Plenum.

In accordance with Point 37 of the statute, the Central Committee appoints editorial boards and chairman of the following party press organs:

Jan Glowczyk as chairman of the TRYBUNA LUDU editorial board;

Jozef Czyrek as chairman of the NOWE DROGI editorial board;

Jozef Baryla as chairman of the ZYCIE PARTII editorial board;

Henryk Bednarski as chairman of the IDEOLOGIA I POLITYKA editorial board;

Zbigniew Michalek as chairman of the CHLOPSKA DROGA editorial board;

The Central Committee, in accordance with Point 78 of the statute, notes and approves the structure and the general principles of operation of the Control and Audit Commissions, defined in the rules of work of the PZPR Central Control and Audits Commissions. The Central Committee deems as expedient the appointment of a party and government Commission for Matters Concerning the Review and Modernization of Organizational Structures of the Economy and the State.

Leaders Review Plans

LD252032 Warsaw Television Service in Polish 1940 GMT 24 Jul 86

[Remarks made by Wlodzimierz Mokrzyszczak, PZPR Politburo member, and by Kazimierz Cypryniak, PZPR Central Committe secretary, at the Second PZPR Central Committee Plenum in Warsaw on 24 July to an unidentified reporter]

[Text] [Reporter] Here is a conversation which I had during the deliberations of the PZPR Central Committee plenum with Wlodzimierz Mokrzyszczak, member of the Politburo and Chairman of the Central Control and Audit Commission:

[Begin recording] [Reporter] Comrade Chairman, the Central Control and Audit Commission is embarking upon its work with a new membership and in a different organizational form. Let us recall that the 10th Congress decided to combine the two commissions which existed previously, the Central Party Control Commission and the Central Audit Commission. How will it discharge its statutory duties?

[Mokrzyszczak] We are organizing for work. Today, we presented the draft rules for our Commission's work to the Central Committee. We have also already begun work to integrate the work of the staff of the commissions. We will table such a proposal at the September plenary session of the commission. The Presidium of the Central Commission which was held prior to today's session accepted it, so we may say that we are organized for work.

What sort of work will it be? The very aim of unifying the commission was to strengthen the framework of party control, so as to more effectively monitor the implementation of decisions, in the most important sector of party work, in the basic party organizations.

In our work we also intent to avail ourselves of all that is positive -- and there have been a lot of positive experiences -- the results of the experience of the Central Audit Commission and the Central Control Commission of the party, which functioned up to the 10th Congress.

[Reporter] Can it be said that the aim of commission's work is the same as before, but the organizational forms are better adapted to current requirements?

[Mokrzyszczak] Yes, although, of course certain distinctions exist in the work of the two bodies. After all, the specific nature of the body which will deal with the purity of the party ranks, and the whole arbitration-prophylactic-educational procedure, will differ from that of the body dealing more with control and audit work, and economic and financial control of the party. So there is integration, but there is also a degree of profiled disposition [profilowe ustawienie] of staff and of the whole aktiv of the commission. We also want our work and the results it produces to serve the leadership of the party echelons as well as possible. We intend to organize our aktiv in such a way that it will be utilized to best advantage and fully by the party echelons.

I think that work of this kind will make it possible to achieve what so many participants spoke about at the 10th Congress, that our decisions be effectively implemented. I think that we should guarantee this aim to a substantial extent, and all of us in our commission will strive to ensure that it is achieved fully and properly. [end recording]

[Reporter] That was one of the points of the organizational part of the second plenum of the PZPR Central Committee. I spoke with Central Committee Secretary Kazimierz Cypryniak about the other points:

[Begin recording] [Cypryniak] If it is a question of these organizational matters, then the Central Committee accepted the rules for its work and for the problem commissions; it accepted the fules of work for the Politburo, the principles of functioning of the Control and Audit Commission. It appointed the editorial boards of TRYBUNA LUDU, NOWE DROGI, ZYCIE PARTII, CHLOPSKA DROGA, the IDEOLOGIA I POLITYKA publishers; it appointed the chairmen of these editorial teams. Over and above this, the Central Committee accepted five new Central Committee department directors and moved one of the previous directors to another department.

Making these decisions was necessary to attain, one could say, the full organizational efficiency of the Central Committee, the Politburo, the Secretariat, the Central Control and Audit Commission, the departments, which are obligated to prepare a comprehensive plan to implement the 10th PZPR Congress resolution, and to set into operational motion the implementation of those tasks which, it is today clear, do not require a long period of preparation. [end recording]

[Reporter] The Comrade Secretary mentioned the resolutions, the documents of the 10th Congress. They include many concrete tasks. Their implementation will depend to a large extent on the activism of the Central Committee, on the activism of the Central Committee Commissions appointed today during the second plenum of the Central Committee commissions [sentence as heard].

[Begin recording] [Cypryniak] The Central Committee today decided to appoint 15 problem commissions. A list of these commissions, the names of these commissions will be printed in tomorrow's press. It also appointed 15 chairmen for these problem commissions. As experience teaches, the problem commissions in the last term fulfilled a very fruitful role, they were very useful in the activization of the whole party and we judge that they will also fulfill an important role in the implementation of the tasks resulting from the 10th Congress resolution.

[Reporter] Apart from members of the Central Committee, members of the party from outside the Central Committee will also be a part of the composition of these problem commissions. What significance does this have?

[Cypryniak] In accordance with the rules accepted today, up to 50 percent of party members from outside the Central Committee can indeed be part of the problem commissions. In this way then, that Central Committee has decided to open the problem commissions so that experienced activists of our party can enter them -- that is what I have in mind here -- and former members of previous terms of the Central Committee and delegates to the 10th Congress, representatives of science, experts, representatives of the working-class, not being members of the Central Committee. In this way, the representational make-up of these commissions will be broadened, which we judge will allow, in sum, for the production of, I would say, an objective gathering of opinions on all problems and subjects. [end recording]

Implementation of Resolution Underway

LD252250 Warsaw PAP in English 1904 GMT 25 Jul 86

[By Zbigniew Boniecki]

[Text] Warsaw, July 25 -- Less than three weeks since the conclusion of the 10th PUWP Congress, the 2nd Central Committee Plenum has summed up the measures taken so far to implement the congress resolutions. Reports, information, and other voices presented during the plenum showed that the party and the executives throughout the country are having no vacation time this year.

Right after the congress its participants, among them members of the central alongside local managers, held meetings in factories and rural communities to give "first hand" information about its directions and decisions, and to seek advice on how to best materialize them.

Thousands of such meetings have already been held throughout the country attracting about a million party members and people of no party affiliation. Further meetings are being held and their number will grow when the party starts its vast report and election campaign in autumn to involve all levels from the grass-roots up to voivodship (provincial) committees.

The congress resolutions have already been dealt with at the first meetings of the Political Bureau (in which the government Presidium would also take part), the CC Secretariat, meetings of the council of State, chairmen of the provincial people's councils, the Council of Ministers with voivods (governors) attending, debates held by leaders of the allied parties: the United Peasants' Party (ZSL) and the Democratic Party (SD), the Patriotic Movement for National Rebirth (PRON), and social-political and youth organizations.

No one can doubt that to reach the objectives laid down by the 10th Congress, it is indispensable to achieve greater effectiveness in economics, science, technology, education, culture and in meeting social needs. That will require major organizational and structural improvements, greater efficiency and discipline, overcoming red tape, and other causes behind the waste of human effort, time, and material sources.

The nationwide review of the functioning of the organizational structures in the state and economy, with the use of the jobs attestation, is to be a permanent implement of winning these ends. The point is to detect redundant structures, over employment, impaired proportions, and to provide conditions for a rational utilization of the existing reserves.

Such an activity has not only an economic dimension but also social and psychological one.

On the basis of adopted assumptions and hitherto experiences, one can say that it will be accompanied by a sincere, critical and creative consultative-explanatory campaign. The way and pace of tightening the rigours of effectiveness, including economic coercion towards enterprises, must be an important part of this campaign. The stricter linking of wages to results of the enterprises' operation and the essential toughening of rigours in such questions as the use of work time or proper quality or production are in the forefront of the most urgent issues.

All patriotic forces of society, which is becoming ever more aware of the fact that economic rights cannot be ignored, will be mobilized around these key questions.

WYCHOWICZ COMMENTS ON REAGAN REPLY TO GORBACHEV WIRE

LD261124 Warsaw Domestic Service in Polish 1005 GMT 26 Jul 86

[Andrzej Wychowicz commentary]

[Text] President Reagan has replied to Mikhail Gorbachev's letter, which he received last month. That letter contained a number of proposals regarding arms reductions. The contents of the U.S. reply have not been made public. A White House spokesman announced only that the President hopes the proposals he has set forth will make it possible to build a firm foundation for achieving progress in a number of important areas.

Here is a commentary by Andrzej Wychowicz:

Every accord is the product of compromise. The question which must be posed in connection with the reply sent by President Reagan to Moscow is simply: To what extent has this precondition been met in his letter? The text of the letter is veiled in secrecy.

The White House spokesman spoke of the hope attached by President Reagan to the letter for the building of a firm foundation for achieving progress in the critical problems being discussed by the two sides.

Is this intended to mean that a change has taken place in the U.S. approach to disarmament negotiations, that the U.S. position has become more flexible, or does it simply mean praise for its own counterproposals?

It is known, for example, that President Reagan still firmly upholds development of the star wars program. In any event, Reagan's reply, and the talks beginning in Washington with the Soviet deputy foreign minister, is proof that a lively exchange of views is continuing, aimed at creating the conditions for a second Soviet-U.S. summit meeting. This meeting must be well-prepared if it is to lead to any tangible results or make progress in dialogue on disarmament.

789 RELEASED 24 JUL UNDER AMNESTY LAW

LD260138 Warsaw PAP in English 0106 GMT 26 Jul 86

[Text] Warsaw, July 25 -- Today was the third day of the implementation of the new law on special procedure towards some offenders.

On Thursday, another 789 persons were freed from prisons and arrests, among then 127 women bringing up their under-age children. All in all, 1,763 people, including 398 women, have been released under the act of mercy so far.

CUSTOMS OFFICIALS SEIZE ILLEGAL BOOKS AT CIESZYN

LD251919 Warsaw Television Service in Polish 1730 GMT 25 Jul 86

[Text] Customs officers at the Cieszyn border crossing have foiled an attempt to smuggle in illicit literature. There is a lot of traffic in both directions. A truck belonging to the Italian transport company Tombolo has been detained. It was carrying church gifts from Italy to Poland, 8 metric tons of canned meat, second-hand clothing and shoes and 578 packages loaded in Venice and Turin. According to the transit documentation, they were sent by the Church of Saint Ignazio in Lido di Venezia to the Charitable Commission of the Polish Episcopate, the Szczecin curia.

During a customs inspection, besides the gifts, 375 illegal [bezdebitowe] books and leaflets in Polish were also discovered in the vehicle: 27 different publications, including some by Aneks and Puls, are of a typically anti-Polish nature, slandering our people, our system and political authorities.

The books were discovered in the rear of the vehicle in the packages of clothing. The Italian driver, Innocenti S., testified that he had no idea what he was carrying. The entire illegal consignment has been impounded. An investigation, by officials of the Bielsko-Biala Voivodship internal affairs office is under way under the supervision of the regional procuracy in Cieszyn.

NOWACK REPLACES WILK AS LEGNICA FIRST SECRETARY

LD252022 Warsaw PAP in English 1836 GMT 25 Jul 86

[Text] Warsaw, July 25 -- Plenum of the PUWP voivodship committee in Legnica, during its meeting today, received the resignation of Jerzy Wilk from the post of first secretary of the PUWP voivodship committee in Legnica put forward in connection with his nomination during the 10th Congress as deputy chairman of the Central Control and Audit Commission.

The plenum, unanimously, elected Henryk Nowak for the vacant post, Nowak, a party and economic activist, for the past fifteen years directed the "Jagor" sugar plant in the Legnica voivodship. The recommendation was granted to him by the PUWP CC Political Bureau.

PUWP CC Political Bureau member and CC Secretary Jozef Baryla, on behalf of PUWP CC First Secretary Wojciech Jaruzelski, conveyed to Jerzy Wilk sincere thanks for his efficient work for the party and the region.

PRON OFFICIALS DISCUSS 10TH CONGRESS, TASKS

LD252004 Warsaw PAP in English 1843 GMT 25 Jul 86

[Text] Warsaw, July 25 -- Chairmen of the PRON (Patriotic Movement for National Rebirth) provincial councils, chiefs of its provincial councils' offices, and members of the PRON National Council Presidium: Chairman Jan Dobraczynski, vice-chairman Jozef Czyrek, and Secretary-General Jerzy Jaskiernia met here today to discuss PRON tasks following from the 10th PUWP Congress resolutions.

PRON activists displayed much understanding as they picked up the 10th Congress thesis which says that the most important thing at the moment is: social and economic cooperation, the agreement of the people of good work who are jointly tidying up the Polish home.

The main essence of the preparations for the 2nd PRON congress, scheduled for the next year, will consist in evaluating the movement's achievements in creating premises for the national agreement, democratization of power, protection of law-abidingness and civic rights, expansion of the social basis of ruling, providing conditions for a social dialogue.

The PRON activists accepted the following tasks, specified in the 10th Congress resolution, as addressed especially to them: participate in the nationwide revision of the state's and economic organizational structures, improve the local councils and Sejm election law as the instruments of socialist democracy, take care of the moral and civic rebirth, elevate the social rank of culture by, among other things, initiating a movement named "National Cause of Culture Protection," energetically co-create conditions for a successful environment protection.

GLOWCZYK CHAIRS MASS MEDIA CHIEF'S MEETING

LD252121 Warsaw PAP in English 2055 GMT 25 Jul 86

[Text] Warsaw, July 25 -- The tenth meeting of editor-in-chiefs of news agencies, the press, radio and television, held at the PUWP CC headquarters, focused on tasks of mass media in the popularization and implementation of resolutions of the 10th PUWP Congress.

Political Bureau members, PUWP CC Secretary Jan Glowczyk, who chaired the meeting, pointed to the need to continue new forms of propaganda work and permanently enrich the language of mass media as a condition for more efficiently reaching the broadest social circles with the rich contents of the congress resolutions.

While stressing the need to improve work methods of the press, radio and television, Glowczyk also underlined the necessity to listen more attentively to moods and opinions, condemning all that prevents and hampers progress, that can and should be considered as social ills.

The most important tasks facing mass media were discussed by deputy head of the PUWP CC Propaganda Department Stanislaw Glen.

New Media Heads Named

LD261423 Warsaw Domestic Service in Polish 1400 GMT 26 Jul 86

[Text] The premier has recalled Miroslaw Wojciechowski from the post of chairman of the radio and television committee in connection with his transfer to work in the deplomatic service. The premier has expressed thanks to him for his work in restructuring and leading the committee.

Janusz Roszkowski has been appointed as chairman of the committee. He has at the same time been recalled from his function as editor in chief of PAP. The premier has expressed appreciation for his unfailing leadership of this institution over a period of several years.

Bogdan Jachacz has been appointed PAP editor in chief.

COMMITTEE CONSIDERS FOREIGN TRADE PLANS

LD252000 Warsaw PAP in English 1914 GMT 25 Jul 86

[Text] Warsaw, July 25 -- The presidium of the Government Committee for Economic Relations with Foreign Countries gathered here today, chaired by Vice-Premier Wladyslaw Gwiazda, to evaluate the effects of main export-boosting measures and propose ways to improve them as well as discuss the directions of improvements in the work and organization of foreign trade.

The meeting was a direct reference to the Tenth Congress of the party and a first phase of implementation of recommendations contained in the resolution of the top forum of the PUWP.

The chief points are to considerably increase Poland's share in the international division of labour, make major progress in raising Poland's export capacity, boost exports of goods and services and make it more profitable.

To reach those ends, it is necessary to deepen the economic integration within CEMA, especially with the USSR. The goals set by the congress before the whole sphere of economics and foreign trade,should be coupled with creation of conditions for faster pro-export transformations of the economy and work for normalization of trade and financial relations with the developed Western countries, the presidium said.

It urged that the present export-boosting measures should now be returned to the second phase of the economic reform to become an important factor in stimulating economic cooperation with foreign countries.

The presidium unanimously supported active policy on currency rates, stressing that it should be accompanied by efforts aimed to improve the structure of prices. Conducted phase by phase, in a relatively short time they should lead to broad use of transaction prices in foreign trade, making the latter more effective.

The presidium made a preliminary discussion of a draft decree on the rules of financing pr xport investment projects in order to ensure them appropriate financing and ef ent implementation.

The presidium also evaluated the implementation of the decisions adopted during a visit to Libya by Polish leader Wojciech Jaruzelski.

BRIEFS

NEW CYCLOTRON -- An ion source has been ignited in a modern isochronous cyclotron built at the Krakow Institute of Nuclear Physics. The installation opens new research possibilities in the physics of atomic nucleus, allows more effective curing of tumourous deseases, and gives possibilities for opening the production of isotopes for medicine, which not only meets domestic demands but also makes export possible. The new cyclotron has been build entirely upon the base of Polish technology. The world price of a similar installation reaches a dozen or so million dollars. [Text] [Warsaw Domestic Service in Polish 0100 GMT 27 Jul 86 LD].

CEAUSESCU VISITS CONSTANTA COUNTY UNITS

AU241850 Bucharest AGERPRES in English 1734 GMT 24 Jul 86

[Text] Bucharest AGERPRES 24/7/1986 -- In the morning of Thursday, July 24, RCP General Secretary and President of Romania Nicolae Ceausescu and Mme Elena Ceausescu paid a working visit to Constanta County. Accompanying them were Emil Bobu, Gheorghe Oprea, Silviu Curticeanu.

The first stop was made at the state of the nuclear power plant of Cernavoda, project of highest importance for the implementation of the Romanian nuclear power development programme. The stage reached in the construction of the country's first nuclear power plant was analysed on the occasion. The plant will have five reactors with a generating capacity of 700 mw each. Present for this analysis were Gheorghe Petrescu and Ioan Petre, deputy prime ministers; Ioan Avram, Alexandru Dimitriu, Marin Enache, Mihai Moraru, Alexandru Necula, ministers; Cornel Mihulecea, chairman of the State Committee for Nuclear Energy; and a large number of specialists working in the research and designing departments of branches contributing to the carrying through of this important power project.

As it was specified during the analysis the building operations on the main buildings of the first generating set were completed, conditions being thus provided for the assembly of the technological equipment. The construction works on the second unit are in an advanced stage and equipment assembly is to start in approximately two months. Intense work is being carried on on the other reactors.

The ministers present informed President Nicolae Ceausescu about the technical and organizational measures taken for the assimilation and timely delivery of the materials, equipment and outfit needed to build the plant, for the assimilation in this country of materials, outfit and equipment for nuclear power plants.

The reactor of the first generating set was seen round; this was an opportunity for the technologies of mounting nuclear power equipment in keeping with international rules and practices to be presented. Given the complex character and particular importance of such works, President Nicolae Ceausescu drew attention on the measures that have to further be taken to ensure the safety on the operating equipment. Possibilities were also surveyed to speed up the pace of the operations while strictly observing the norms regarding the quality and control of all installations. In the engine room of the Generator No. One the building and assembly operation stage was analysed. At the reactor No. Two the guests were presented the advanced construction technology that substantially increases productivity as to conventional methods and shortens in building period.

During the working dialogue with the ministers, with the other responsible factors, with experts, Nicolae Ceausescu pointed to the need to speed up the pace of building operations and recommended the ministries, the units supplying technological materials and equipment to work resolutely for their soonest assimilation. He demanded that great exigency be shown in all sectors of activity and all measures be taken so that high-quality operations be performed both in constructions and in equipment manufacture. At the end of his visit President Nicolae Ceausescu congratulated the builders of the Cernavoda nuclear plant for the activity carried out and the results scored so far in implementing this important power project, for the highly technical complex operations they performed.

President Nicolae Ceausescu further saw round several large farming units in the country: the state farming enterprises in Poarta Alba and Mikhail Kogalniceanu, the Intercooperative Economic Association for Raising and Fattening Sheep and the producer cooperative farm in the commune of Mikhail Kogalniceanu.

The talk conducted on the occasion was attended by Gh. David, minister of agriculture, executives and experts in the country's agriculture.

Aspects were examined related to the use of land and the fine crops of maize, vegetables and technical plants yielded this year. The results were analysed scored in animal breeding, fruit-tree and wine growing, and so were seasonal farming operations.

Also visited was a large exhibition showing achievements in the agriculture of the county, more particularly in the twenty-one years elapsed since the Ninth RCP Congress. Owing to substantial investment, the agriculture of Constanta boasts a strong technical and material base at present, as more than 80 per cent of the arable area were laid out for irrigation. In this way, productions have increased continuously and so have the livestock and livestock products. On the occasion problems were looked into related to the implementation of the programme for the development of fruittree plantations and orchards, and the results scored in animal breeding, aviculture, sericulture and bee keeping, as well as the concern of the food industry in the rise in their quality were examined. Approaching aspects of the fishing industry, President Nicolae Ceausescu recommended that the programme for fishing in the Black Sea should be reviewed and the fishing fleet further equipped so that conditions should be created for the higher capitalization of this natural asset.

Everywhere and throughout the duration of the visit the working people of Constanta welcomed the RCP and Romanian state leader, Nicolae Ceausescu and Mme Elena Ceausescu, with warm feelings of love and high esteem.

Ship Building Program Discussed

AU251959 Bucharest AGERPRES in English 1830 GMT 25 Jul 86

["Working Meeting To Analyse the 1986-1990 Naval Programme" -- AGERPRES headline]

[Text] Bucharest AGERPRES 25/7/1986 -- At the end of the visit President Nicolae Ceausescu and Mme Elena Ceausescu analysed, during a working meeting, the naval programme for the 1986-1990 interval, the way in which steps are taken for its implementation, for the steady improvement of the quality and performance of the Romanian ship building. Attending were ministers, executives of the naval industrial department and of relevant enterprises, of other units that take part in the implementation of this programme.

President Nicolae Ceausescu emphasised that conditions were in place for the fulfilment of the programme and that advantage should be taken of the powerful base provided by research and designing as well as the by current possibilities of the shipyards. He also recommended that studies should be made and large-capacity fuel-efficient ore carriers should be built to raise the efficiency of transport.

During the meeting Nicolae Ceausescu inquired about the manufacture of ship engines at Resita and requested the executives, specialists, the research and designing institutes to ensure a better correlation between their fabrication and the terms when the modern types of ships under construction must be completed.

Analysing the activity of the main shipyards the RCP and Romanian state leader assessed that the Romanian shipyards were very well equipped with modern technology that shorten the execution period, steadily improve quality, provide for the building of competitive vessels, hence for bigger exports and a more active participation of the Romanian fleet in the international maritime traffic.

In conclusion President Nicolae Ceausescu requested that the naval programme should be revised and complemented in the spirit of the conclusions of this analysis.

CEAUSESCU, DASCALESCU MESSAGE TO POLISH LEADERS

AU251407 Bucharest SCINTEIA in Romanian 22 Jul 86 p 5

[Text] To Comrade Wojciech Jaruzelski, first secretary of the PZPR Central Committee and president of the State Council of the Polish People's Republic, and Comrade Zbigniew Messner, chairman of the Council of Ministers of the Polish People's Republic, Warsaw.

Dear comrades: On the 42d anniversary of Poland's Rebirth, we want to extend on behalf of the RCP Central Committee, the State Council and Government of the Socialist Republic of Romania, the Romanian people, and on our own behalf, warn greetings and best wishes to the PZPR Central Committee, the State Council and Council of Ministers of the Polish People's Republic, to the friendly Polish people, and to yourself.

We greatly appreciate the achievements attained by the working people in Poland under PZPR leadership in their homeland's socioeconomic growth, in the development of science, technology, and culture, and in improving the material and cultural standard of living of the entire society.

Noting with satisfaction that the traditional relations of friendship and cooperation between our parties, peoples, and countries are developing successfully at various levels, we want to express the conviction that they will continue to expand and deepen on the bases and in the spirit of what we jointly agreed upon to the benefit and in the interest of the Romanian people and Polish people, of peace, socialism, and progress in the world.

On the great national holiday, we convey, dear comrades, wishes for success in the important targets put forward by the 10th PZPR Congress aimed at socialist Poland's many-sided development and prosperity.

Nicolae Ceausescu, RCP secretary general and president of the SR of Romania, and Constantin Dascalescu, prime minister of the Government of the SR of Romania

Giosan Message

AU251406 Bucharest SCINTEIA in Romanian 22 Jul 86 p 5

[Text] On the 42d anniversary of Poland's Rebirth, Nicolae Giosan, chairman of the Grand National Assembly, has sent a congratulatory cable to Roman Malinowski, the marshal (chairman) of the Sejm of the Polish People's Republic.

On the same occasion, the National Council of the Socialist Democracy and Unity Front, the leaderships of certain central institutions, and mass and civic organizations have sent congratulatory cables to similar organizations in the Polish People's Republic.

MIKULIC LEAVES FOR VISIT TO INDIA, KUWAIT

LD270930 Belgrade TANJUG Domestic Service in Serbo-Croatian 0718 GMT 27 Jul 86

[Text] Belgrade, 27 Jul (TANJUG) -- Branko Mikulic, president of the FEC, left this morning for an official friendly visit to India, at the invitation of Prime Minister Rajiv Gandhi.

The most important topic in the course of Yugoslav-Indian talks will be bilateral cooperation marked by long tradition and friendship. The foundations of this cooperation were laid by President Tito and Prime Ministers Nehru and Indira Gandhi.

An interesting topic will be provided by the activity of nonaligned countries. Yugoslavia and India are the founders of the Nonaligned Movement and also its most active members, and the two premiers are expected to carry out an exhaustive exchange of views on all the issues regarding the further activity of nonaligned countries within the context of final preparations for their eighth summit in Harare.

Branko Mikulic, president of the FEC, will visit Kuwait after his stay in India. He will have talks on the promotion of bilateral cooperation and the activity of nonaligned countries with the highest-ranking officials of this country.

The FEC president is accompanied on his visit to India and Kuwait by Radoje Kontic, member of the FEC; Budimir Loncar, deputy federal secretary for foreign affairs; and Goran Kapetanovic, head of the cabinet.

At Belgrade airport Branko Mukulic, his wife and members of the delegation were seen off by Milos Milosavljevic, vice president of the FEC; Zoran Miskovic, general secretary of the FEC; Zoran Miskovic, general secretary of the FEC; and Jovan Pecenovic, assistant federal secretary for foreign affairs. Also present were Sianala Kovsik, charge d'affiares of the Indian Embassy in Belgrade, and Tal'at Ya'qub al-Ghusayn, ambassador of Kuwait to Yugoslavia.

Assesses Relations With India

LD271223 Belgrade TANJUG Domestic Service in Serbo-Croatian 0859 GMT 27 Jul 86

[Text] Belgrade, 27 Jul (TANJUG) -- Yugoslavia and India have a long tradition of friendly relations. They are based on true understanding and trust, equal cooperation and mutual respect, joint concern for the preservation of peace in the world and progress and the fate of mankind. These values were built in Yugoslav-Indian relations by President Tito and Prime Ministers Nehru and Indira Gandhi who continued to nurture them through a friendly dialogue.

This was stated by Branko Mikulic, president of the FEC, in his interview to the Indian agency PTI and daily ANANDA BAZAR PATRIKA, on the eve of his visit to this friendly nonaligned country. Branko Mikulic assessed the visit to India as very successful from the point of view of bilateral cooperation. Of particular importance is the fact, he added, that the visit coincides with the final preparations for the eighth nonaligned summit, which is expected to further reaffirm the movement as an influential, independent and non-bloc actor in international relations.

Branko Mikulic said that in the course of the talks with Indian leaders the greatest attention will be devoted to bilateral economic cooperation and prospects for its more dynamic development. In keeping with both sides' priorities in basic economic spheres Branko Mikulic drew attention to a need to expand cooperation in the spheres such as industry, various aspects of business and production cooperation and also machine-building, electronics, mining, petrochemical industry, scientific research, investments and cooperation with third markets. The FEC president noted that the two countries have objective interests and realistic possibilities for expanding such cooperation. This can also be seen as a concrete contribution to the realization of the important principle of relying on the forces of nonaligned and underdeveloped countries alone, Mikulic stressed, saying that these are the interests of the peoples of the two countries and the Nonaligned Movement as a whole.

The majority of questions referred to the activity of nonaligned countries, the consolidation of the movement and the forthcoming summit in Harare.

The Nonaligned Movement, which reaffirmed itself from the very beginning as an independent, non-bloc and global factor in the struggle for equal and democratic international relations, today has a strong influence on the public opinion and represents the objectively largest barrier against the bloc policy and interests, Mikulic stressed. It is not surprising that it is exposed to continual pressures and attempts to divide it, pacify it, or else turn it into an instrument of alien policy and interests. Such attempts, Mikulic went on, have so far been successfully opposed by the Nonaligned Movement, which has become even stronger and more united in action. "We consider that nonaligned countries will in the coming period offer effective resistance to such attempts, precisely owing to the strength of their original principles and orientation," said the FEC president. "We are convinced that the degree of action training and the movement's orientation will continue to grow strong, while bearing in mind the need for its even more direct participation in resolving the key international problems. Hence the need to continually strengthen solidarity and cohesion and to advance the forms of coordination, activity and performance of nonaligned countries in relation to all the most important issues and events, proceeding from the original principles of the policy of nonalignment and full respect for the authentic interests of member countries."

Branko Mikulic noted that the Harare summit will examine, apart from an explosive and increasingly dangerous situation in southern Africa, all the other key issues such as international detente, measures for the consolidation of peace and security, disarmament, equal cooperation among the states, international economic relations, and the hotbeds of crisis. It is understandable, he added, that the situation in southern Africa will be one of the main topics of the Eighth summit, because these are the events which could have unforseeable consequences, not only upon the further development in Africa, but also upon international relations in general. "We therefore expect the Harare summit to adopt concrete conclusions and decisions and also to propose resolute measures for urgent solution to the crisis in South Africa, in keeping with the legitimate demands, rights and aspriations of the deprived population which, despite protests and condemnations by the international public, are exposed to increasingly brutal and bloody reprisals of the racist regime in Pretoria."

In his reply to one of the questions, Branko Mikulic noted that India, as the chairman of the movement, had a particular responsibility and complex task which it carried out successfully. "In the past period it made a considerable contribution to the consolidation of the movement's unity, its action mobilization based on the orignal principles and aims of the nonaligned policy, and the consolidation of its prestige and role on the international scene. India also gets credit for initiating a series of concrete actions of the movement aimed at seeking solutions to some important international issues. With such activity, India considerably contributed to the consolidation of the movement as an independent, non-bloc and global factor in international relations," Mikulic said. He pointed to comprehensive cooperation between India and Yugoslavia within the framework of the nonaligned policy and said that it would be intensified by issues of the greatest importance for the whole movement.

Branko Mikulic also said that Yugoslavia assessed as positive the renewal of the USSR-U.S. dialogue. "We support all the proposals and initiatives which, if only partially, contributed to disarmament and halting of the arms race, particularly the nuclear one," stressed Branko Mikulic, president of the FEC, in his interview to the PTI agency and ANANDA BAZAR PATRIKA, given on the eve of his official visit to India.

FEC DISCUSSES NUCLEAR ENERGY, PRICE INCREASES

LD251916 Belgrade TANJUG Domestic Service in Serbo-Croatian 1439 GMT 25 Jul 86

[Excerpts] Belgrade 25 Jul (TANJUG) -- In the process of establishing the long-term program of power engineering development, special attention should be devoted to a more rational use of energy. It is therefore necessary to reorient the economy in such a way that less energy is used per production unit, which will contribute to the greater competitiveness of Yugoslav commodities on the foriegn market. This is one of the conclusions reached at today's session of the FEC at which the following statement was issued:

At today's session, presided over by Milos MIlosavljevic, the FEC examined preparations for passing the program of long-term development of power engineering in Yugoslavia up to the year 2000.

The council authorized competent federal organs, together with corresponding organs in republics and provinces and general associations in the sphere of power engineering, to step up work on the preparation of the draft program until the end of September in order to ensure its further detailed analysis before final adoption. [passage omitted]

The program of the development of power engineering should provide a realistic examination of conditions and possibilities for the long-term coordinated development of the economy and power engineering, optimum consumption needs and the production of specific aspects of energy and energy in general. Emphasis must be laid on maximum reliance upon our own sources of energy, particularly the exploitation of lignite from Kosovo and the Drina river basin.[passage omitted]

The preparation of the program of the long-term development of power engineering will ensure comprehensive research and analysis of all the apects of nuclear energy development and the application of nuclear technology, from the view point of general economic and social development and also realistic prospects for the introduction of safer and more modern technologies of the future.

Decisions on the construction of the nuclear plants in Yugoslavia cannot be passed before the long-term program of power engineering development and the social contract for the implemenation of planned orientations are adopted, and before comprehensive scientific research and social verification are carried out.

The FEC also passed a number of regulations within the scope of its competence.

The council postponed the application of decisions on setting sugar and cooking vegetable oil prices until 15 September this year. [passage omitted] In keeping with the decision on setting prices of different types of milk, which comes into effect on 1 August, the FEC established that production prices of pasteurized and sterilized milk could go up by a maximum 30 percent compared with current prices. [passage omitted]

LCY CENTRAL COMMITTEE DISCUSES MAJOR ISSUES

LD252011 Belgrade TANJUG in English 1725 GMT 25 Jul 86

[Text] Belgrade, July 25 (TANJUG) -- The Central Committee of the League of Communists of Yugoslavia and its Presidency will pay special attention in the coming period to economic stabilization and development of the political system of socialist selfmanagement.

These subjects and forthcoming changes in the country's constitution will be discussed by the Central Committee at its session on June [as received] 30, Secretary of the LCY CC Presidency Radisa Gacic told reporters today.

As stated, among other things, at the 13th Congress of the LCY in Belgrade late last month, an additional emphasis will be laid in the period ahead on the responsibility of the Central Committees in the six Yugoslavia republics and the two provincial committes for the situation in their respective environments.

Those responsible for disregarding Central Committee positions will be called to account, so that the LCY Central Committee may indeed be an efficacious and authoritative top party body, pointed out Gacic. The party's full support to the announced government measures for stopping the adverse economic trends was stressed at a meeting here with journalists in connection with this session. It was emphasized that the measures are in keeping with Yugoslavia's longterm economic stabilization programme.

COMMENTARY ON FEDERAL GOVERNMENT CRITICS

AU251648 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 25 Jul 86

[Nedeljko Mirkovic commentary]

[Text] Do we know how to differentiate between healthly skepticism and even suspicion, and a panegyrical and apologetic agreement with everything? What underlies the legitimacy of some people, who think that they may criticize everybody and everything without end and without measure? Nedeljko Mirkovic comments:

Branko Mikulic and the complete federal government team would probably be happier and calmer had cricumstances saved them from reaching the very peak of attention and arousing the intense interest of the Yugoslav public in their work.

Both because of the economic situation which is as it is -- and it is predominantly bad -- and because of the promise that the FEC will start the stabilization with all available measures and because it has offered some specific solutions for achieving this aim, the FEC has become a peculiar media attraction.

In this situation, the public sympathies, which indeed cause pleasure and satisfaction, are also accompanied by a serious analytical examination, pungent criticism, and even a malicious joy in anticipation of some false steps. It would not be good if the federal government in such a set of circumstances responded to low blows with similar punches. After all, the government obtained support for its own program -- and it proclaimed the Long Term Economic Stabilization Program as its own -- and agreement to two packages of measures at those points of the political system which are most essential for success.

Of course, agreement to every individual measure did not quite simply happen. However, one could not even expect that objectively different and opposed interests would suddenly disappear merely because the authority of the present government stood behind the new regulations. It has become established practice that former members of the FEC are the fiercest critics of the current government.

Of course, the problem does not lie in criticism alone. Some of those who were members of the FEC until yesterday, now sit on the delegate benches not only try to show how complicated the situation is, but are so eager in this intention that in connection with the new regulations and the present economic difficulties they fiercely attack the policy and measures which they themselves used to adopt, determine, and defend as salvation bringing solutions. With these solutions we arrived precisely where we now are.

One-third of the previous FEC members have moved to the delegate benches of the Fouth SFRY Assembly. It would be, it seems to us, quite understandable that in their new duties they show more understanding for the FEC measures and do at least a part of what they used to expect of the delegates. They used to complain about the petty sniping at the FEC and about the obstinate and (?persistent) insistence on special interests.

BREAD PRICE INCREASES DISCUSSED IN ASSEMBLY

AU252044 Belgrade BORBA in Serbo-Croatian 11 Jul 86 p 4

[Text] A debate on the enormously increased bread prices was conducted in the SFRY Assembly at the session of the Chamber of the Republics and Provinces today. Dr. Milorad Stanojevic, delegate of Montenegro, who had been a member of the FEC and federal minister for agriculture during the previous delegate term, asked the question: What are the economic reasons for such a drastic increase of bread prices precisely at the moment when very important measures for improving the economic position of agro-industrial production are being taken.

He was answered by Aleksandar Donev, FEC member, who cited as the reasons for the price increases the high costs of production materials and equipment in agriculture, the delays in the fall sowing, the satisfaction of domestic market demand, and liberation from the need to import. He stressed that the government had borne in mind that this price increase would impart a serious push to price increase and affect the cost of living, and it therefore adopted the view that it is necessary that the standard of living should be protected through bread price subsidies.

In view of the fact that this is a problem within the powers of the republics and provinces, a meeting was held in the appropriate federal secretariat on 2 July, at which agreement was reached on a uniform price of bread and the introduction of subsidies. Serbia, Kosovo, Macedonia, and Montenegro agreed with the subsidies, but it was found that there is no money in the budgets.

Since delegate Stanojevic was not satisfied with any FEC reply [nijednim ogdovorom], he proposed that a discussion of the policy of prices and subsidies in the agro-industrial complex be opened in the Chamber in September. The delegates did not accept the proposal (only 15 voted "in favor"), but Janez Zemljaric, vice president of the FEC, asked for the floor and said that a discussion about this subject should be held once the preparation and harmonization of the economic policy for 1987 is under way.

I must say that in our assessment there are very few economic reasons for what is happening in the field of bread prices, coal prices, and in tourism, Zemljaric said. The FEC proposed at the beginning that the standard of living be protected through compensation, or subsidies for flour and for bread made of Type 850 flour. However, this was not accepted by the republics and provinces, and this is their responsibility. It would be good if you, delegates, raised this question in your assemblies, because decisions were made there that no subsidies be adopted. As regards economic reasons, the FEC will check through the Price Institute and through the inspection organs what arguments were used for such drastic price increases at this moment.

SINAN HASANI GIVES ADDRESS AT MILITARY ACADEMY

LD261013 Belgrade TANJUG Domestic Service in Serbo-Croatian 0522 GMT 26 Jul 86

[Text] Belgrade, 26 Jul (TANJUG) -- The Yugoslav People's Army has been and remains an irreplaceable factor in the defense of the independence and territorial integrity of Yugoslavia and the dependable support of all our nations and nationalities in the defense and development of the gains of our socialist revolution. We are proud of the Army we have, modern and prepared to successfully carry out at any time the task entrusted to it. This was said today at the military academy of the land forces in Belgrade by Sinan Hasani, president of the SFRY Presidency, who was addressing the latest generation of officers of the Yugoslav People's Army who were today formally commissioned as officers.

Yugoslavia, all her republics and autonomous provinces, regardless of the difficulties facing us, does not begrudge, nor has it ever done so, the resources which within the given possibilities guarantee to the Army its necessary living conditions, work and constant technical modernization. We must bear in mind that, as well as our resoluteness, professional capability and the moral-political factor -- "for battle beats in the heart of the hero" -- we also need modern armaments for defense against a possible aggressor. This was the united orientation of the 13th LCY Congress which categorically rejected all phenomena and tendencies which in any way diverge from this social role and importance of our Army, stressed Hasani.

Recalling the recent LCY Congress, Hasani went on to say: At the 13th LCY Congress, the demand was forcefully manifest for a united Yugoslavia, for its further development on the foundations of socialist self-management, the equality of the socialist republics, socialist autonomous provinces, nations and nationalities, and its absolute independence. Total determination and resoluteness were shown for more rapidly seeking solutions and overcoming the problems and difficulties present in our country.

The congress reaffirmed the need for the consistent implementation of the long-term program of economic stabilization. The FEC -- with the full agreement and support of the most responsible state and political organs of the country -- has taken and will take a whole series of specific measures which should contribute to overcoming the economic crisis and the many negative phenomena, weaknesses and disruptions in our society. The aim of these measures is to effect an increase in production and labor productivity, to encourage exports and more harmonious social, joint and personal expenditure, to bridle and reduce inflation, and to guarantee the planned social and personal standard of living. With the full involvement and united and determined action of all socialist forces, particularly the working class, I am deeply convinced that we will succeed in this, stressed Hasani.

The system of socialist self-management and socialist democracy can only be further developed by removing everything that has become a hindrance to its proper and efficient functioning. On the basis of the results of the Critical Analysis of the Functioning of the political system and the public debate conducted in connection with it, a formal initiative will follow at the beginning of the fall for changing certain constitutional provisions. These changes should, together with the broad organized social action of all working people and citizens, guarantee the even more successful development of the country, socialist self-management, the equality of nations and nationalities, and all of our fundamental values.

Great efforts are being made throughout the country, and especially in Kosovo, to implement the measures and actions of the SFRY Presidency and LCY Central Committee Presidium for the fullest possible stabilization of the situation in this province of ours. Although notable results have been achieved in this, the struggle against the activity of Albanian nationalists and irredentists, and the removal of the serious consequences which they evoke, particularly the emigration of Serbs and Montenegrins, remains our priority task. At the same time, both in Kosovo and further afield, we must speak out firmly against the phenomena of Serbian and other nationalisms which are presently attempting to use the dissatisfaction of a number of Serbian and Montenegrin citizens in the region, evoked by the slow resolution of their problems, for the struggle against our policies and efforts to stabilize the situation in Kosovo.

Referring to the forthcoming gathering of nonaligned countries in Harare, Sinan Hasani said:

On 1 September this year in the capital of Zimbabwe, Harare, the eighth summit of the nonaligned countries begins. This will be a genuine contribution towards the peaceful solution of all the open world problems, an opportunity to reaffirm the original principles of the Nonaligned Movement. A central place at the summit will be given to questions of peace and security, the relaxing of tension, the renewal of detente, disarmament, resolving and overcoming the problems of hotbeds of war and crisis, and the search for solutions to the problems of the world economic development and international economic relations.

Yugoslavia -- one of the creators of the Nonaligned Movement -- is making intensive preparations for this exceptionally important world meeting. For our part we will do everything we can to ensure that at this summit too, Tito's vision of nonalignment, a world of peace and new, more democratic and equitable international relations, gains full expression.

Congratulating the new officers of the Yugoslav People's Army on behalf of the SFRY Presidency and himself, on gaining their first rank, SFRY Presidency President Sinan Hasani said in conclusion:

In your work with people endeavor to develop and strengthen love and respect for everything positive which we have achieved with the party and Tito at our head. In our Armed Forces, and in particular in the Yugoslav People's Army as their strike force, the conscious man must play a decisive role, for without him even the most modern weapons and other military technology cannot be successfully used.

Always bear in mind that you are the sons of workers, farmers, of our working class and all our working people, and that their interests and aspirations must always and everywhere also be your preeminent tasks. Develop and nurture national equality and brotherhood and unity in all environments where you work and operate. Our People's Army has always set an example in this. Now it is your great duty to continue this proud tradition and vigilantly preserve our dearly won freedom.

I wish you all the best and much success in carrying out the honorable and responsible tasks which society has entrusted to you.

ARMY LC VIEWS MORAL-POLITICAL SITUATION

AU242134 Belgrade NARODNA ARMIJA in Serbo-Croatian No. 2450 26 Jun 86 p 9

[Br. Miletic report on the second session of the Committee of the LC Organization in the Yugoslav People's Army -- place and date not specified]

[Excerpts] The circumstance that on 2 days last week two events happened of importance to Army personnel -- a conference on political work and a session of the Committee of the LC in the Yugoslav People's Army [YPA] devoted to the moral-political situation -- had the effect that both, because of the similarity of the subjects and the current significance of the themes, the two gatherings constituted a peculiar review of the Army personnel tasks on the ideological front before the highest gathering of the Yugoslav Communists, the 13th LCY Congress. [passage omitted]

The opening speaker at the session of the committee, Rear Admiral Petar Simic, member of the Presidium of the LC Committee in the YPA and chief of the Political Administration of the Federal Secretariat for National Defense, proceeded from the current social situation, stressing that the course of social events brought the Army to a position of an "important factor of ideological and moral-political processes." Ideological unity, moral firmness, and political consciousness of its personnel are becoming more and more the subject of attention of our working people and citizens on the one hand, and of the world public on the other. Although the "lenses" of this interest are sometimes colored in completely different ways -- ranging from express confidence and love for the Army to add mixtures of subversive tones -- and directed at different "subjects" (they are most frequently pointed at the regular army, especially the officers), the Communists must pay attention to the complete image, firmness, and strength of the Army as an entity, Simic stressed.

Quicker Liberation from Formalism

To preserve and to strengthen the ideological unity of Army personnel, is the imperative of the present (and the future) period, it was said at the session. Since this demand is not new, more was said this time about how the Communists should work than about what they should do. A broad range of measures was discussed, the common denominator of which should be the adjustment of the work methods to the new conditions. [paragraph continues]

One certainly should react to certain attacks, "pillorying" [prozivanje] of the Army on he pages of some newspapers, and similar provocations, but it is a no less important task of the Communists to show their activities in military collectives and to oppose resolutely the beliefs which emanate from some social communities but are unacceptable, because they do not contribute to the strengthening of the military organization and the combat readiness of the Army.

It is a matter of quite specific political actions for improving the situation in the units and institutions of the YPA. Once one gets to this field, the door is open wide for work by Communists on a number of tasks pertaining to the daily life of soliders. The struggle for ideological unity, let us repeat, holds pride of place, and so do the striving for a high level of organization, motivation, discipline, and functioning of the military organization on the principles of subordination and a single line of seniority [jednostaresinstvo]. These points, however, are not the only ones.

Those participating in the discussion, for instance, pointed out the need for a quicker liberation from formalism in some matters. In illustration, evaluation and the lack of uniform criteria were mentioned several times. This does not refer only to the evaluation of the work of individual in the teaching process. Different criteria in assessing the state of combat readiness, the capability of wartime units, or the political security situation in a given territory have, it is understandable, an unfavorable influence on combat morale and the feeling of the members of the units, and may as well have very negative consequences on the overall combat readiness and the performance of tasks at a given moment. [passage omitted]

VRHOVEC SPEECH MARKS CROATIAN UPRISING

LD272032 Belgrade TANJUG Domestic Service in Serbo-Croatian 0232 GMT 27 Jul 86

[Excerpts] Lukovo, 27 Jul (TANJUG) -- Noting that it was in Lukovo at the foot of Visevica mountains that one of the first partisan camps was established from where units of the National Liberation Army developed and that in this very region large liberated areas were established providing an opportunity for the development of people's authority organs, Josip Vrhovec stressed that the liberated territory of the Croatian littoral and the region of Gorski Kotar was a link between the liberated territory of Lika and that of Zumberak and Slovenija and later of the Istraian Peninsula. [passage omitted]

Yugoslavia's cohesion and its overall progress must be enhanced and realized through the constitutionally determined functioning of the delegate system and not through compromises between the republican, state and political organs.

This can be successfully achieved only if the working class, and not republican etatism, is allowed to be the proponent of national interests and if the LC gives support to this orientation in the Federal Assembly and not by advocating the etatistically defined interests of "its" own republic or province or through promoting the centralist-unitarist concept of Yugoslavia.

Vrhovec stressed that the 13th LCY Congress provided answers to all the issues and that it reiterated the need for the unity of all of our society's socialist forces in the struggle for the continued development of self-management, for consolidating the working class power and the role of associated producers in controlling and distributing the surplus of their work. The congress, Vrhovec emphasized, reaffirmed the LC's firm commitment to develop further the federation, the equality of our nations and nationalities and the brotherhood and unity.

Speaking about the challenges of the present-day world and the crossroads at which Yugoslav society has found itself, Josip Vrhovec said that there are objective reasons for the unfavorable developments in the country but that one's own mistakes and failures should be examined before anything else.

Voicing sharp criticism of the conduct over the last 10-odd years, in particular, the slowness in accepting the true explanations about the way foriegn credits had been used, and also insufficient determination and unity in surmounting the crisis, Vrhovec stressed that the LC has never been afraid of the truth or of accepting its responsibility for the situation in society. He noted that at that time [as received] warnings were expreseed of such behavior and that these warnings frequently came from Comrade Tito, who was disturbed about such developments.

The situation, however, did not change because according to Vrhovec, the leading structures in the LC continued to support the ambitious etatism on behalf of one's "own" nation or one's "own" state. This is the truth and it must be openly admitted today to serve as a lesson to all of us and as an answer to all those who tend to link Tito's name with the emergence of the present day crisis. It has to be noted that this link was mentioned in the foreign press in connection with the 13th LCY Congress.

Speaking about the internal divisions and the activity of various opposition groups, stimulated by the protracted economic crisis, Vrhovec singled out the view which, as he emphasized, deliberately ignores the economic character of the crisis and blames the political system and the 1974 Constitution for it.

Pointing out that behind this view is a "blatant attempt" to impose changes in the AVNOJ character of the federation, Vrhovec said that the butt of the attacks by those who promote such ideological orientations is the principle of unanimity, which is applied in the federation to harmonize and coordinate common interests on which the equality of our nations and nationalities is based. The system of socialist self-management has also been under attack, which, in Vrhovec's view, is conducive to the burgeoning of the various forms of nationalism.

In addition there is the counterrevolution in Kosovok, which can be defeated only by concerted efforts of the entire LC and all socialist forces. We must do everything in our power, Vrhovec stressed, in order to fulfill more consistently the tasks set by the platform on Kosovo, to consolidate the brotherhood and unity, cooperation and mutual trust between the Albanians, Serbians and Montenegrins in Kosovo.

Noting, however, that, as a form of activity by the class enemy, chauvinism was gaining ground on a wider scale, Vrhovec stressed that the LC must be extremely cautious but at the same time united and determined in its efforts to resist this evil.

In reference to the importance of the long-term program of economic stabilization and the critical analysis of the functioning of the political system, Vrhovec warned of the obdurate resistance to the two documents resulting in attempts to return things to the beginning despite the clearly defined resolutions adopted by the 13th LCY Congress. People who support this view cannot reconcile themselves with the fact that the critical analysis of the functioning of the political system clearly and resolutely defends the federal character of the Yugoslav community and the system of socialist self-management as defined by the LCY program and the 1974 Constitution.

This continuity, in Josip Vrhovec's opinion, must be uncompromisingly defended because its defense implies not only the defense of but also the further development of the essence of our revolutions which, in turn, can be defended and enhanced by radically altering the existing state of crisis and by eliminating all the obstacles on the path of the further development of socialism.

Vrhovec advocated the ideological unity of and differentiation within the LC on the basis of these orientations. He called for differentiation in practice and in the efforts to implement jointly adopted policies. If it is to carry out its historic tasks the LC must be more resolute in eradicating opportunism within its own ranks and must call upon all the leaderships, all basic organizations of the LC and on its entire membership to embark upon implementing the resolutions of the 13th LCY Congress, Vrhovec said.

Noting that the stabilization program is primarily designed to eliminate the causes of the present situation, Vrhovec emphasized that this could be achieved only by respecting economic laws, by consolidating the position of associated labor within social reproduction, by further developing self-management by observing the jointly-formulated social plan, by legally-recognized work and by the use of science and modern technology.

The stabilization program as well as the critical analysis, Vrhovec said, provide a comprehensive platform for a large-scale social reconstruction in the course of which many things but, above all, we, ourselves, must change. He warned that any sloppiness, lack of responsibility, opportunism, selfishness and privatization, the lack of unity and the absence of preparedness to seek for the ways out through strengthening our common points, could lead to even more difficult situation. This could signify an absence of sense within the LCY of its historical responsibility for the fate of our socialism and of the Yugoslav community.

HOUSING RENT IN SKOPJE GREATLY INCREASED

LD25148 Belgrade TANJUG Domestic Service in Serbo-Croatian 1028 GMT 25 Jul 86

[Summary] Skopje, 25 Jul (TANJUG) -- Rents for socially owned accomodation in the Macedonian capital, Skopje, are increased by 253.6 percent. The decision, which takes effect immediately, is considered to be justified by the self-managing community of interest for housing. It is part of the move that rents should become economic, that is, amount to 2 percent of the previous year's value of the accomodation.

SHIPYARD WORKERS PROTEST PRICE INCREASES

LD252002 Belgrade TANJUG Domestic Service in Serbo-Croatian 1710 GMT 25 Jul 86

[Summary] Split, 25 Jul (TANJUG) -- The trade union conference of the composite Organization of Associated Labor of the Split Shipbuilding Industry has addressed a protest letter to the sociopolitical organizations of the municipality and the republic following the latest wave of increases in the prices of a number of articles and services. The letter on behalf of 6,500 workers expresses dismay at the increased prices of bread, sugar, oil, electricty, rents, petrol and the services of kindergartens, all of which affect the living standard of workers at the shipyard and of other working people and citizens. The Split shipbuilding workers call for broad action by the sociopolitical community to bridle inflation. The letter says that the price increases discredit the decisions and resolutions of the party congresses.